CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—TWENTY SEVENTH PARLIAMENT

16 ELIZABETH II

VOLUME 1, 1967

COMPRISING THE PERIOD FROM THE EIGHTH DAY OF MAY, 1967,
TO THE FIFTH DAY OF JUNE, 1967, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

27053—1½

HOUSE OF COMMONS

• (4:00 p.m.)

Monday, May 8, 1967

SECOND SESSION—TWENTY SEVENTH PARLIAMENT—OPENING

The parliament which had been prorogued on the eighth day of May, 1967, met later this day at Ottawa for the dispatch of business.

The house met at four o'clock, the Speaker in the chair.

Mr. Speaker read a communication from the Secretary to the Governor General, announcing that His Excellency the Governor General would proceed to the Senate chamber at four o'clock on this day, for the purpose of formally opening the session of the dominion parliament.

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Excellency the Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

• (5:20 p.m.)

And the house being returned to the Commons chamber:

OATHS OF OFFICE

Right Hon. L. B. Pearson (Prime Minister) moved for leave to introduce Bill No. C-1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

SPEECH FROM THE THRONE

Mr. Speaker: I have the honour to inform the house that when the house did attend His Excellency the Governor General this day in the Senate chamber, His Excellency was pleased to make a speech to both houses of parliament. To prevent mistakes, I have obtained a copy, which is as follows:

Honourable Members of the Senate:

Members of the House of Commons:

As my words are being broadcast throughout Canada I should like to begin on a personal note. I want to say that I am deeply conscious of the possibilities for good for Canada of my new office and duty—that which brings me here today to open the Centennial Session of Parliament. May I renew my pledge at the ceremony of Installation: that my sole purpose and effort will be to merit the confidence which had been reposed in me by Her Majesty our Queen on the advice of her Canadian Ministers and by the countless Canadians from every region who have so freely offered their good wishes. My wife and I are deeply grateful for such messages and greatly encouraged by them.

On this occasion we feel again the sadness of our loss in the recent death of His Excellency General Georges Vanier, my much beloved predecessor. His courageous and lifelong devotion to all that is good and honourable sets an example to inspire all Canadians.

The careers of my two distinguished Canadian predecessors have added to the traditional and constitutional functions of the Governor General as the representative of Her Majesty the Queen of Canada, that of representing the Canadian people in a broad range of their activities and attitudes. In this role I shall try to encourage the best features of our national life, in all its diversity, and to symbolize the unity and continuity of the Canadian people as expressed in their federal institutions.

With you, I look forward this summer to the visit of Her Majesty the Queen and other members of the Royal Family. The presence of our Sovereign and the Heads of State of other countries will bring added joy and festivity to our land as it celebrates the centennial of its Confederation.

This Centennial Session of Parliament provides an opportunity to begin to give effect to our aspirations for the second century of Confederation.

The weak colonies joined together in 1867 have grown today into a prosperous and dynamic country. That so much could have been accomplished in the face of great difficulties is a tribute to the courage, determination and faith in human progress of countless Canadian men and women of all origins. It is also a tribute to the wisdom and foresight of the Fathers of Confederation who created the constitutional framework without which much of this progress would have been impossible.

Our country was not founded in 1867. It is far more deeply rooted in time than that. But, one hundred years ago, our predecessors—men of many races, creeds and tongues—embarked upon a great exercise in statecraft of which we, today, are the trustees. They laid the foundations. They anchored them in a fundamental sense of unity that generations of conflict had taught was vital to the common weal. With this realization they erected a structure of government for the freedom, welfare, and prosperity of all who might come in time to inhabit this land. They built according to a federal plan because they knew that unity, with cultural and regional diversity could be harnessed to a positive and enriching rôle in no other way.

The concept of Confederation was a call to Canadians to occupy and develop half a continent. In terms of physical effort, it demanded constructive work of a magnitude and in the face of obstacles never before tackled anywhere in the world. In terms of intellectual endeavour, it required the revolutionary application of federal arrangements to a parliamentary system in a sparsely populated country of enormous area.

The path of Confederation has been beset with great difficulties—some natural, some inevitable and some of our own making. Succeeding generations of men and women, however, had the courage to overcome these difficulties and make possible the material and social progress we today enjoy. They had the conviction of their forefathers that a sense of basic unity alone would secure the preservation of both the individuality and the diversity which they cherished. They knew that, while Confederation could never be perfect, it was in the last analysis the mainstay of their various interests and that, while there would inevitably be occasional failures in the tolerance and understanding essential to our political system, a fundamental friendship between our people remained and could be relied upon. They knew, above all, that there was no difference of opinion so great, no misunderstanding so deep, that could prevent men of good will from repairing the particular in order to preserve the whole.

During the past one hundred years the world has changed beyond the recognition of anything within the experience of those who laid the foundations of Confederation. That our constitutional structure has endured and served so well the progress of our country is a measure of the basic soundness of its principles as well as the willingness of those concerned to adapt their application to changing needs and changing conditions.

It is in this spirit that the government has in recent years actively promoted the reform of detailed federal-provincial arrangements which, with the fundamental law, compose the constitutional structure of our country. Such reform includes improving procedures for federal-provincial consultation and coordination that are increasingly vital to the effective operation of modern government.

The government is aware of its unique responsibility to ensure that our fundamental law is readily adaptable to our changing social needs. It is also conscious that the advantages and disadvantages of the present constitutional structure are deeply intertwined. While orderly reform may well be the best way of preserving and strengthening our heritage, the most careful consideration must be given to what we do. Studies to obtain the best advice on this important matter are now underway with a view to subsequent consideration of the whole problem by Parliament.

It was possible to think, in 1867, of the public responsibility primarily in terms of state responsibility. The new challenges, which we must and will meet, require the involvement of the whole society and the efforts of all our people. In this time of fast-changing dimensions, the central concern of Canadian society must be the well-being of each individual, so that, regardless of his place or station at birth, he will have an equal chance to realize his full potential in the economic, social, political and cultural sense. A country is a home; it must be built and furnished for the good life of its people.

[Mr. Speaker.]

With our forefathers, the fight was against the immense odds of nature on our half of this continent. Today the main struggle is against social injustice, against cultural mediocrity, against spiritual stagnation and against all forms of intolerance.

During the first one hundred years of our Confederation we have been evolving, out of our bilingual and bicultural beginnings, an ideal of statehood that promises a new dimension of democracy: the dimension of social and cultural diversity within a political unity. Out of the two great cultural streams of our beginnings, we have evolved in Canada an independent statehood which has welcomed and been enriched by people of many other cultures. As we enter our second century of Confederation, we can take pride in a sense of purpose that, while taking account of our own national needs, also includes a unique capacity to contribute to the whole world community of man.

Today relations among industry, labour and governments at all levels are taking on a new significance. To maintain and improve Canada's economic strength it is necessary to exercise wisdom and restraint in our demands upon one another; to show a high degree of cooperation and a sense of responsibility in dealing with each other and with our respective institutions, including all levels of government.

The government is conducting a fundamental review of the many significant factors involved in the relationship between industry, labour and government. From this review, it will secure the best advice available in shaping new policies and determining the most effective day-to-day rôle for the federal government.

Honourable Members of the Senate,

Members of the House of Commons,

As our Centennial Session opens, more Canadians are employed than ever before in our history. To ensure that jobs keep pace with the labour force, the capacity, quality and productivity of Canadian manufacturing industries must be increased. The government will take further appropriate measures to promote an environment in which industries can develop in the broad interests of the country, and promote increasing employment opportunities.

The government will also take special measures in particular designated areas where human resources are not adequately utilized. While efforts by the government in this regard during recent years have met with a large measure of success, they are to be made even more effective. Parliament, therefore, will be invited to broaden the scope of the Area Development Incentive program and to provide increased funds for it. Continuing encouragement will be given to the work of the Atlantic Development Board in promoting industrial development in the Atlantic Region.

Our strong and dynamic economy has made possible a broad program of social security which is available to all Canadians. Social legislation in Canada has been advanced to a remarkable degree in recent years. This does not mean to imply that all our programs are complete. Improvements will be required, such as the amendment of the Unemployment Insurance Act, which Parliament will be invited to consider.

Parliament will also be asked to enact a measure further to assist Canadians when moving from their homes in order to obtain employment. This will be accompanied by administrative action to increase the effectiveness of Canadian manpower centres. A full service will be developed for counselling individuals looking for work and for helping all workers to take advantage of employment opportunities. At the same time the adult retraining program will be strengthened and, in consultation with the provinces, a number of pilot training projects will lay concrete plans for new approaches in manpower development.

While the government is conscious of the desirability of a greater degree of domestic control of our resources and our key industries it is also aware of the continuing importance of inflows of foreign investment in order to ensure an optimum development of the economy. To enable Canadians to gain a clearer understanding of these issues, a White Paper on this subject will be laid before Parliament.

The government attaches great importance to opening up new ways for the participation of our people in the ownership of our industrial institutions. You will therefore be asked to consider a bill to establish a Canada Development Corporation in order to further the industrial development and trade of this country by reinforcing the supply of Canadian equity capital ready to share the risks as well as the rewards of investment in Canadian business.

Federal-provincial cooperation through the Fund for Rural Economic Development will permit a major effort for regional planning for particular areas in Canada. Implementation of development projects in Northeastern New Brunswick, at Mactaquac in New Brunswick and the Interlake area of Manitoba will provide the Federal Government with tools of knowledge and experience for the benefit of other regions throughout the country. You will also be invited to approve the establishment, with the Government of Nova Scotia, of a Crown Corporation to phase out the uneconomic coal mining operations in Cape Breton, while creating alternative industrial employment.

Greater emphasis and encouragement, consistent with federal responsibilities, will be given to community development programs throughout Canada. In no case is the need for these more fully demonstrated than in the case of the Indians and Eskimos of Canada who face grave problems in their attempts to share the benefits and opportunities of our society. The government will therefore put before the Centennial Session amendments to the Indian Act and it will take other administrative measures to encourage the process of community development, for the benefit of the Indian and Eskimo people.

In foreign affairs Canada has put its major effort into the pursuit of peace. Our diplomacy aims at strengthening Canada's position in the councils of nations so as to work towards that world peace and stability that is the agreed objective of all sectors of public opinion in this country.

The most serious situation in the world today remains that in Vietnam. The government continues to attach the highest priority to initiatives designed to bring about a peaceful settlement of this conflict and we will continue to exert every effort to this end through diplomatic and other peaceful means. The government is prepared to cooperate in the establishment of an international presence in Vietnam to provide the assurances and guarantees which may have to form part of any settlement. We are also prepared to assist in the economic reconstruction and rehabilitation in that area once peace has been restored.

The government will also continue to press vigorously for effective international action in the field of disarmament. It regards curbing the nuclear arms race as a first and essential step on the road to general disarmament.

With these objectives in mind, Canada is joining with its NATO partners in a review of the future tasks of the alliance. Besides the changing requirements of collective defence, we will have in mind the progressively important political role which NATO has undertaken in the pursuit of a peaceful settlement in Europe.

The United Nations remains for Canada a major consideration in foreign policy. Until the end of 1968 Canada will have the responsibility of membership on the Security Council, and in that rôle the government will strive to strengthen the capacity of the United Nations fully to discharge its proper functions.

It is also expected that the "Kennedy Round" of International Trade and Tariff Negotiations will soon be completed in Geneva. In the light of its conclusions, you will be asked to approve changes in tariffs and related laws necessary to implement the undertakings Canada will give in order to gain improved access for Canadian products in export markets.

The government also intends to play an active part in the forthcoming meeting of the United Nations Conference on Trade and Development, as it attaches great importance to the trade problems of less-developed countries.

Unless there is a concerted international endeavour to promote economic, technical and social advances in the developing countries, the world will soon face a major crisis. The advances painfully won by the nations of Asia, Africa and the Americas must not be lost through the lack of aid or through impediments to trade. Steps will be taken further to develop Canada's special relations with the Commonwealth countries of the Caribbean.

The government also intends to seek approval for a substantial increase in the external aid program, as a further step towards the aid target of one per cent of national income.

External aid, trade and the activities of a host of international agencies today bind the peoples of the world more closely together than ever before in human history. There is an international flavour to modern life that was unknown to all but a select few in years past, but which will become commonplace for people generally in the years ahead.

All this is dramatically demonstrated by Expo 67 which recently opened in Montreal and by the Pan American Games to take place in Winnipeg this summer. These are features of our Centennial party, to which the whole world has been invited. Expo provides an extraordinary opportunity to extend hospitality to those who join with us in celebrating the one hundredth anniversary of Confederation. It is attracting visitors to Canada in greater numbers than ever before, and provides us with an unprecedented opportunity to display our achievements to the rest of mankind. Our country will also be receiving an increasing flow of people who will remain with us, to add to the variety and

strength of our country. You will be asked to consider a complete revision of our immigration legislation.

If the century that has passed can be characterized by the development of the resources of our land, it is likely that the century to come must be marked by an increasing concentration upon the development of the resources of the mind and the spirit.

The government has already embarked upon a number of programs to increase substantially the level of scientific innovation, but much information of potential use in upgrading the technological capability of our country is not being fully utilized. The government has therefore initiated a study which will lead to a program to provide for the efficient dissemination of the latest scientific and technological information throughout Canada. The government also intends to recommend substantial expansion in its assistance to science and technology in their broadest senses and to develop a climate conducive to more expenditure in this area by Canadian industry. Particular attention will be given to developing a climate of cooperation among governments, universities, and industries, that will provide effective solutions for the great problems associated with our environment: with health, transportation, energy, communications, housing and urban renewal, food production and many others that have particular relevance to this country.

The arts, humanities and social sciences also have an importance to our future that needs no elaboration. In recent years the government has taken vigorous action to ensure unprecedented support for those branches of learning essential to the enrichment of the spirit and to the government of men. More remains to be done so that there will be provided a host of challenging opportunities to Canadians of all ages: opportunities of the kind that will excite the interests of our best minds; opportunities that, accepted with spirit and vigour, can lead to progress of exceptional significance in the social and economic life of Canada.

Recognizing that broadcasting is an important cultural instrument the government supports a comprehensive and balanced national broadcasting service for Canadians of all ages, interests and tastes. Toward these ends a measure will be put before this Session for better regulation and use of broadcasting privileges and responsibilities. Legislation will also be placed before Parliament concerning the provision of broadcasting facilities for educational purposes.

The government is profoundly aware of the economic, social and cultural issues concerned in the development of satellite communications. Studies of this important matter are now underway and will be pressed to completion so that you may be thoroughly informed on all aspects when grave decisions as to use, ownership, regulation and control must be reached. A committee of Parliament will be invited to study the issues involved in this new means of communication.

In one form or another science is already reaching into the very heart of the community to transform the lives of each of us. It is essential that the control and development of our environment keeps apace. We have built towns and cities, canals and railroads, highways and other great works of construction at an unprecedented pace. But we have too often in the past made beauty the poor sister of material gain and careless workmanship the price of easy profit. We must lose no more time in making ugliness in our environment as unwelcome as financial losses in our balance sheets.

One of the great challenges of the century will be our capacity to plan our urban development so that Canadians in the future will continue to enjoy the benefits of living in health and harmony with their surroundings. To this end, the government intends to propose to the provinces that a special study of urban development be undertaken in close consultation with all the authorities concerned, which would be available to the federal, provincial and municipal governments and to the public generally; so that all Canadians will be aware of problems which lie ahead and so that governments at all levels, will have the best possible advice to assist them in their own planning and in their respective contributions to this great problem.

You will be invited to consider new housing programs which, while recognizing the primary responsibility of the individual and the other levels of government in the provision of housing, will help to fill requirements that clearly lie ahead.

The impact of science, industrialization and urbanization and the changing conditions in Canada and abroad also demand that our agricultural goals and policies should be kept under continuous examination. The government, confident that Canada can look forward in its second century to continuing as one of the great agricultural countries of the world, proposes to establish a Special Task Force under the Minister of Agriculture. It will be charged with projecting agricultural goals for the future and recommending policies to meet these goals. A firm basis should thus be provided for the development, in full cooperation with the provinces, of a national agricultural policy. This national policy will be designed to bring greater returns to the efficient farmers of this country consistent with those of other segments of our economy and consistent with the contribution to our well-being that is made by the agricultural segment. At the same time plans will be developed that will permit the retraining of those who wish to leave the agricultural field.

The changing needs of rural communities also deserve special attention. During the present Session, you will be asked to approve legislation to provide long-term loans to agricultural and fisheries associations and corporations to permit them to develop facilities commensurate with the needs of such communities. The pattern of agriculture is changing and with the change there is increased need for capital to permit the development and maintenance of a competitive agricultural structure. Therefore you will also be asked to broaden the scope of the Farm Credit Act, in particular to enable young men and farmers' sons to develop or acquire efficient and viable production units.

The great natural resources that we take into our second century will be vital to us in meeting our needs and in maintaining our position as a major world trader. Measures will be introduced by the government at the present Session arising out of the need to conserve and preserve the great wealth with which Canada has been so richly endowed. Water itself is becoming a more and more valuable resource. Efforts to combat pollution are taking on an economic as well as a social significance and the federal government intends to press forward in cooperation with the provinces. In keeping with this objective, you will be asked to approve a new

Canada Water Act which will provide a framework for the improvement and implementation of Canadian water policy.

At the same time, the search for new resources hastens the opening of the North. Substantial progress has been made in recent years in the government of the Northwest Territories and the Yukon, and the government intends to undertake new incentives for industry and regional economic planning intended to strengthen the economy of the North.

The encouragement of scientific and intellectual endeavour, and the development of natural resources, will be of no great benefit to Canadian society in its second century of Confederation unless a concerted effort is made to bring about a better relationship between the individual and his government. The government therefore attaches great importance to administrative and law reform so as to assure the citizen an understanding and sense of identification with what is going on, the better to assure his support of and participation in the social institutions of our country. You will be asked to examine legal procedures and administration, not only with a view to their efficiency, but also as regards their simplicity and efficacy in so far as the individual citizen is concerned. Canada must set itself the task of developing a society in which every citizen can become an informed and real participant and plan a rôle to the measure of his wishes and abilities.

The Standing Committee of the House on Privileges and Elections will be asked to continue its study of the Report from the Committee on Election Expenses. When this study has been completed, the government will put forward proposals for your consideration.

You will be asked to consider reforms in our laws governing divorce. The government will also put forward a proposal concerning capital punishment. In all of these matters where decisions depend so much on personal judgement and belief, careful consideration will be given to procedures for handling them in Parliament. Early action will also be taken to seek other amendments to the Criminal Code.

In the highly complex society of today, the interests of the consumer must be taken fully into account in the formulation of government policy. It is abundantly clear that in the whole area of matters affecting the investor and the consumer, the federal government has special obligations arising out of its general responsibility for the economic well-being of the nation as a whole.

The rights of the consumer can be advanced through corporate and individual responsibility but they also impose an obligation on governments at all levels. At this Session government measures recommended for the promotion of consumer interests will include the designation of a department of corporate and consumer affairs. Within this department there will be created an organization responsible for developing new policies and coordinating programs undertaken within the federal government to assist the consumer and protect the small investor. It will also maintain liaison with the provinces in these fields.

The government also attaches great importance to the encouragement of more efficient allocation of capital resources and to the creation of a situation in which any Canadian can invest in companies operating in Canada on the basis of comprehensive and accurate information. To this end, you will be asked to approve amendments to the Canada Corporations Act. They will ensure that federally incorporated companies are obliged to respect modern and high standards of financial disclosure and that their affairs are conducted in a way which will encourage a favourable investment climate.

Related to this is the improvement of the efficiency and stability of financial markets and institutions. Important changes were brought about in the last Session of Parliament with respect to banking legislation and the control of other financial institutions. The objective of the government is to encourage development of efficient financial institutions, with full regard for the public interest including the provision of adequate safeguards for depositors and investors. The government is prepared to exercise its responsibility in fields where it has jurisdiction. In these fields as well as in areas where jurisdiction is divided, it will seek to cooperate with all provincial governments.

Another matter of fundamental importance in our highly industrialized society is safety. The government proposes to review the whole area of its jurisdiction with respect to the setting and enforcement of safety standards in all the areas where they are required if the day-to-day life of the average citizen is to be adequately safeguarded.

As we observe this year the beginning of a new century of Confederation, we who find ourselves in positions of authority must always remember that it is our responsibility and our opportunity to serve the needs and aspirations of the Canadian people. Ours is a proud past. Together we in Canada have a future as promising as that of any other country in the world. But, above all, we are a people of the present. It is well that in giving thought to the goals of the second century of Confederation, we be aware that, as our success and promise of today rest on the actions of the past, so what we have tomorrow will depend on what we do today.

Members of the House of Commons,

The legislative program that the government proposes is large, and many of the issues it contains are complex. This has consistently been the case in recent years. It is a natural result of the growth and development of our country, the involvement of government in many matters, and the increasing technicality of modern society and the methods of its regulation. Parliament today requires virtually the full-time attention of its members, and this has been appropriately recognized. Likewise, you have recognized that the rules and methods of parliamentary government must be revised. In the last Session you established a Committee on the Rules of the House which made valuable progress in this regard. In this Session you will be asked to continue and expand that Committee's work. Canada in embarking upon its second century of federal government, must provide its Parliament with every facility to ensure that efficiency and thoroughness of deliberation which, in the consideration of every item of public business, is alone the sure protection of the liberty and well-being of our people.

You will be asked to appropriate the funds required for the services and payments authorized by Parliament.

Congratulations on Canadian Centennial

Honourable Members of the Senate,

Members of the House of Commons,

It is our honour and privilege to be responsible for the government of our country in this one hundredth year of confederation. It is our duty to govern well.

In addition to the measures already specified, you will be asked to consider a number of other legislative proposals.

In conclusion, I would end today, as the first Governor General of our country did one hundred years ago:

> "Within our borders peace, security and prosperity prevail, and I fervently pray that your aspirations may be directed to such high and patriotic objects, and that you may be endowed with such a spirit of moderation and wisdom as will cause you to render the great work of union which has been achieved, a blessing to yourselves and your posterity, and a fresh starting point in the moral, political and material advancement of the people of Canada."

May Divine Providence guide you in your deliberations.

• (5:30 p.m.)

Right Hon. L. B. Pearson (Prime Minister) moved:

That the speech of His Excellency, delivered this day from the throne to both houses of parliament, be taken into consideration later this day.

Motion agreed to.

CANADIAN CENTENNIAL

RESOLUTION OF CONGRATULATIONS AND BEST WISHES FROM U.K. PARLIAMENT

Mr. Speaker: I have the honour to inform the house that a message has been received from the Right Hon. Horace Maybray King, Speaker of the House of Commons of the United Kingdom, conveying the text of a resolution of that house, as follows:

The Prime Minister
Mr. Edward Heath
Mr. Jeremy Thorpe

Centenary of the Canadian Parliament: *Resolved, nemine contradicente*, That this House, mindful of its debates in February and March 1867, which led to the passage of the British North America Act and to the establishment of the Parliament and Dominion of Canada and recalling the hopes then expressed that the foundation had thereby been laid for the development of strong and self-reliant parliamentary institutions in that country; notes that these hopes have been amply fulfilled in the continuing vigour and vitality of the parliamentary system in Canada and sends most friendly greetings and warm congratulations to the Canadian House of Commons on the centenary of its establishment, and all good wishes for the second century of its existence.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the resolution of congratulations which you have just read and which, as you have said, was moved in the British House of Commons by the Prime Minister of the United Kingdom, was passed unanimously by that ancient and illustrious body which two years ago celebrated its seven hundredth anniversary in the same hall at Westminster where it first met.

Very generous remarks were made when this resolution was being considered at Westminster by the Prime Minister, Right Hon. Harold Wilson, by the Leader of the Opposition, Mr. Heath, and by the leader of the Liberal party, Mr. Thorpe. I am sure all members of this house share my appreciation of this generous and friendly gesture, and I am sure that all members would wish this appreciation to be suitably expressed and recorded, for transmission to Westminster.

As has been the case with many countries, we inherited our own parliamentary institutions from Britain, the home of the mother of parliaments. Indeed, one of the bonds holding together that unique organization, the Commonwealth of Nations, is this shared parliamentary heritage.

In Canada, parliamentary institutions have played a vital part in the development of our Confederation. They have served us faithfully and well in war and peace, in bad times and in good. They have enabled our country to grow with a maximum degree of freedom for our people, and with a maximum of consideration for discussion and dissent in the solution of our problems. It is difficult to imagine a more stable or suitable governmental foundation for future progress as we contemplate our second century of confederation. The capacity of our parliamentary system to adjust itself in response to the requirements of the moment, without sacrificing its basic characteristics, has been demonstrated in the past. We must hope that the subtle, durable mechanism, of which this house forms such an important part, will successfully meet the even more difficult and important challenges of the present by adapting itself to the new conditions we face.

We often forget that it was the combined genius of Anglo-Saxon and Norman French that brought about the birth and development of the parliamentary system in Britain. In Canada there has been a similarly enriching association of these two races in our parliamentary evolution. In working out our federal system of government, parliamentary institutions have enabled English speaking and French speaking Canadians to settle their problems and find acceptable accommodations for their difficulties in a framework

of rational discussion and intelligent co-operation.

I feel confident that we can look forward to continued steady parliamentary progress, and that we shall not betray the great achievements of the last hundred years or prove unworthy of the generous sentiments that the resolution of the British House of Commons so graciously emphasizes.

In introducing this resolution into the House of Commons at Westminster, the Prime Minister of the United Kingdom quoted the words of Lord Carnarvon, the Colonial Secretary of the day, when he moved second reading of the British North America Act in 1867. He said then:

> We are laying the foundation of a great state—perhaps one which, at a future day, may even overshadow this country. But, come what may, we shall rejoice that we have shown neither indifference to their wishes nor jealousy of their aspirations, but that we honestly and sincerely, to the utmost of our power and energy, fostered their growth, recognizing in it the conditions of our own greatness.

It is good to know that the British House of Commons, 100 years later, continues to have these same generous and warm feelings about our country.

It is my pleasure and my honour to move, seconded by the right hon. Leader of the Opposition, the following resolution:

> That this house, acknowledging the Resolution of the British House of Commons, conveying most friendly greetings and warm congratulations on the centenary of the establishment of the Canadian House of Commons, and all good wishes for the second century of its existence;
>
> Recalling the unfailing good will extended to it by the British House of Commons at the time of confederation, and throughout the century that has followed;
>
> Mindful that parliamentary institutions, our heritage from the mother of parliaments, have served Canada well during the past hundred years;
>
> Requests Mr. Speaker to express to the British House of Commons sincere and grateful appreciation for its kind greetings and congratulations.

• (5:40 p.m.)

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I join the Prime Minister in the sentiments he has expressed on this unique occasion. The message from the parliament of Westminster re-emphasizes, as the Prime Minister has said, it was in Westminster that the system was developed which we in our country, subject to but few changes, have applied to the operations of our parliament. Indeed, the cradle of freedom at Westminster gave us parliamentary democracy and the rule of law. From it we obtained the common law, trial by jury and habeas corpus. These are the monuments of freedom around which Canadians stand with pride.

In the dark days from June, 1940, until December, 1941, the parliaments of the United Kingdom and Canada together with the other dominions in the commonwealth stood alone for freedom. In 1941 the nazis attempted, by destroying the physical structure at Westminster, to at the same time undermine the moral determination and power of our people standing together for freedom. They destroyed the buildings, but the soul was unimpaired.

We recall it was here in this chamber in December, 1941, that Right Hon. Winston Churchill, with winged words of power and determination, mobilized the thinking, the aspirations and hopes of free men everywhere.

These are the things that come to one in reflecting on the history of our country's institutions. It is well to recall the contribution made by that parliament in Westminster to the Canada of today. The Prime Minister mentioned it was a result of the co-operation between Anglo-Saxons and Normans that the parliamentary system, which we hold as of right and not of grace, was achieved and established.

It is well to remember the parliament of the United Kingdom gave to Canada of that day, in 1774, freedom of religion for Roman Catholics many years before it was attained in the United Kingdom itself. It was the United Kingdom parliament which made possible the abolition of slavery in Canada in 1793. It was in that parliament the eloquence of Fox, Pitt, Sheridan and Burke brought into being the beginning of representative government in Canada. Fox enunciated the dictum that the only way of retaining distant colonies with advantage was by enabling them to govern themselves.

Here in Canada—sometimes we forget it—a French Canadian gave leadership which brought about responsible government in our nation. Louis Hippolyte Lafontaine joined with Robert Baldwin in bringing this about. He maintained that parliamentary government without the crown cannot and will not be envisaged. These are some historical episodes which come to mind.

The British parliament consistently and generously protected minorities, their religion and their language. The Prime Minister quoted the words of Lord Carnarvon as the British statesman concluded the introduction of the B.N.A. bill in the House of Lords in 1867. Strange as it may seem today, it was the

Quebec Act of 1774 allowing religious freedom and preserving those rights which were guaranteed in 1760, which in large measure was the cause of the 13 colonies revolting in 1776; they took strong objection to what had been done in Canada.

These are things we do not forget. These are things of the spirit, golden threads in the tapestry of our parliamentary system. It is with deep appreciation of what the British parliament has done for our country in preserving the freedoms we hold so dear, freedom of religion, freedom of speech and free, responsible government, that I speak today. For all these things we are debtors to that parliament at Westminster. So long as it lives, freedom will live.

It is my honour to join with the Prime Minister in seconding a resolution of appreciation for a message which touches the hearts of all of us.

Mr. T. C. Douglas (Burnaby-Coquitlam): My colleagues and I desire to support most enthusiastically the motion which has been moved by the Prime Minister and seconded by the Leader of the Opposition. We deeply appreciate the congratulations and good wishes which have been received from the parliament at Westminster.

As has been pointed out, the British parliament gave birth to confederation. While we very naturally think with pride of the Canadian fathers of confederation, it is true that the work they did could not possibly have come to fruition had they not had the co-operation of the statesmen in Great Britain, and had they not been helped tremendously by the foresight of British leaders like Lord Durham. Therefore we are greatly indebted to the British parliament, to the men who have sat in it over the years, for the help they gave in laying the foundations of Canada.

• (5:50 p.m.)

With the passage of time we have become more and more independent and we have insisted increasingly, generation by generation, on being masters in our own house. I do not think for a moment that this has caused any displeasure in the British parliament or among the British people. As a matter of fact, when they launched Canada on its way it was part of their hopes and their aspirations that Canada would become a great sovereign power and an equal partner with Great Britain. It must be a source of satisfaction to them now to see Canada, as an independent, sovereign nation, working closely with Great Britain in the Commonwealth of Nations, in the United Nations, and in the affairs of the world.

We, Mr. Speaker, in this house, and in this country have a deep affection for Great Britain. Part of it comes from our ties of blood, but I suppose roughly two thirds of the Canadian people do not have ethnic relationships with Great Britain. However, we do have ties of common appreciation for the parliamentary system, for the British system of justice, and for the concepts of freedom and liberty which Great Britain gave to the world and which we, in our turn, have accepted and seek to perpetuate.

William Pitt once said in one of his famous speeches, when the Napoleonic wars were at their height, that Britain had saved herself by her exertions and Europe by her example. I think it can be said with equal truth today that Great Britain, in spite of innumerable difficulties, is saving herself by her exertions and the world by her example. I hope that we here in Canada as we enter into our second century will continue to march in step with Great Britain, and that we, with Britain and the other members of the commonwealth, may play an important part in promoting peace, stability and prosperity throughout the earth.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, in the name of the Ralliement Créditiste, I should like to join the right hon. Prime Minister (Mr. Pearson) in thanking the British House of Commons for the resolution which it kindly sent our government on the occasion of our centennial. We appreciate all the kind words and good wishes contained in the message of the London government. Other countries will certainly send Canada their congratulations this year. It should nevertheless be remembered in listening to these congratulations—we are overwhelmed with congratulations—that tomorrow is another day and that all those kind words are not necessarily true.

We sincerely thank the British government for their good wishes on the occasion of the centennial of confederation. In fact, it is quite an event for Canada to have survived during these hundred years after the agreement reached in 1867, if we consider the government of the time and particularly the two great men who, in 1867, laid the basis upon which Canada developed and expanded.

Have we now reached the ideal suggested by these two great men? I have always found that no ideal can be fully attained. Never-

theless, it can be said that we are on the way toward such an ideal and that living under this agreement has been a fortunate experience for all Canadians in general.

Just to simplify my reassuming, let me say that I have always seen in the agreement of the 1867 confederation something similar to a contract between husband and wife.

Mr. Speaker imagine a couple receiving congratulations from everywhere on their hundredth wedding anniversary. While the husband is being complimented on his achievements, on his progeny especially, the wife harbours other thoughts which she dares not express. That is all very well as far as the husband is concerned, but often the wife thinks to herself: That is not altogether true.

Well, we French Canadians, with regard to the English speaking element within the context of confederation, are somewhat like the husband and wife to whom I have just referred.

In 1867, our ancestors took up the challenge. They tried to play their part and I think that if something went wrong, in short if we have to complain about something as French Canadians, it is not so much about the letter itself of the British North America Act as about its application. But, on this anniversary, in order not to cast any gloom over the occasion, we will act somewhat like the woman who is party to the marriage contract: we will let those who want to celebrate fully do so, even if we cannot keep pace with them. We congratulate our predecessors just the same for having made the necessary efforts to attain the ideal which the two men mostly responsible for confederation undoubtedly had in mind.

We are asking ourselves what confederation gave us after a hundred years. To answer that question, I think that we should analyse the situation and ask ourselves whether our present system of government is as sound as it was 100 years ago as well as the foundation of present system, which I approve of because I have always been in favour of a democratic system.

I believe that the years to come will give us the answer to that question and we hope wholeheartedly that our democracy will grow not only in words but in action, in short that it will become an accomplished fact in Canada.

That is the wish of the French Canadian people in general who live in Canada as it must be also the wish of the citizens of all the other ethnic groups which make up our great country.

I think that our democracy is far better than other forms of government which have been launched or tried out in other countries, but we must reflect upon the accomplished fact and be satisfied with the work done, even with the effort attempted although that effort, in my opinion, was not fully successful.

Mr. Speaker I hope the new century which lies ahead will be the century of understanding, the century of justice and the century of peace.

[*English*]

• (6:00 p.m.)

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, if I may be permitted just a few moments, I should like to assure the members of this house that we in the Social Credit party are in full support of the resolution which has been moved by the right hon. Prime Minister and seconded by the right hon. Leader of the Opposition.

It is always good to receive greetings on special occasions and, on the one hundredth anniversary of Canada's existence, it is doubly gratifying to receive greetings from the mother of parliaments. I have just read the message which was sent and I notice that reference is made to the debates which led to the passage of the British North America Act and the establishment of the parliament of the Dominion of Canada. I believe this message expresses a hope which is greater than the expressions of opinion which were made at the time of Canada's formation by those on that side of the Atlantic who predicted the early demise of this country as an independent sovereign nation.

Canada is but a baby, so far as the nations of the world are concerned, but I believe her place in the roll call of nations will move on the maturity, and that she will make her contribution to the world in general.

Motion agreed to.

INTERNAL ECONOMY COMMISSION

Right Hon. L. B. Pearson (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an order in council appointing the Honourable George James McIlraith, the Honourable Allan Joseph MacEachen, the Honourable Maurice Sauvé and the Honourable Edgar John Benson, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of the one hundred and forty-third chapter of the Revised Statutes of Canada, 1952, intituled: An Act respecting the House of Commons.

Business of the House

STANDING COMMITTEES

Right Hon. L. B. Pearson (Prime Minister) moved:

That a special committee be appointed to prepare and report, with all convenient speed, lists of members to compose the standing committees of this house; the said committee to be composed of Messrs. Knowles, Laprise, Leboe, MacEachen, Pilon, Rapp and Starr.

Motion agreed to.

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. L. B. Pearson (Prime Minister) moved:

That Maurice Rinfret, Esquire, member for the electoral district of Saint-Jacques, be appointed deputy chairman of committees of the whole house.

Motion agreed to.

APPOINTMENT OF COMMITTEE TO CONSIDER CHANGES IN PROCEDURE

Right Hon. L. B. Pearson (Prime Minister) moved:

That a special committee consisting of Messrs. Asselin (Richmond-Wolfe), Baldwin, Brand, Caouette, Faulkner, Knowles, MacEachen, Nugent, Olson, Richard and Stewart, be appointed to consider and, from time to time, to report upon the advisability of making permanent, with or without amendment, any or all the several changes in the procedure of this house as adopted for the second session of the twenty-seventh parliament on April 26, 1967, and, in particular, to consider ways and means for giving to the opposition during the second session of the twenty-seventh parliament an opportunity to select the order in which departmental esimates will be discussed, and such other changes as the committee may deem suitable to promote the more expeditious dispatch of the business of the house.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Speaker: It is my understanding that there is a wish to have the order made earlier this day, that the address of His Excellency the Governor General be considered later this day, amended so that the address may be considered tomorrow.

Some hon. Members: Agreed.

On motion of Mr. Pearson the house adjourned at 6.10 p.m.

HOUSE OF COMMONS

Tuesday, May 9, 1967

The house met at 2.30 p.m.

MAIN ESTIMATES, 1967-68

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1968, was presented by Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board) and read by Mr. Speaker to the house.

EXTERNAL AFFAIRS

RUMANIA—TABLING OF LETTERS RESPECTING CONSULAR AND CLAIMS MATTERS

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I wish to table exchanges of letters with the government of Rumania dealing with consular matters and claims. These follow the exchange of letters tabled in the house on April 4 concerning the establishment of diplomatic relations between Canada and Rumania.

Mr. Speaker: Has the minister leave to table these documents?

Some hon. Members: Agreed.

GREECE—REPRESENTATIONS AS TO RESTORATION OF CONSTITUTIONAL RIGHTS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the right hon. Prime Minister, and ask him whether the government of Canada has made representations to His Majesty King Constantine II of the Hellenes for the immediate release of all elected political representatives and other citizens unconstitutionally arrested, and for the immediate restoration of the constitutional rights of the Greek people, their parliamentary procedures, and their right to schedule free elections.

Right Hon. L. B. Pearson (Prime Minister): Of course we have an embassy in Athens which is keeping in touch with developments, but we have made no representations to the government of Greece of the kind suggested by the hon. gentleman.

Mr. Starr: Then I would ask whether the government is considering withholding the $1.5 million granted to the Greek army as economic aid under the NATO defence assistance program until such action as I suggest has been taken.

Mr. Pearson: That is another question. I shall be glad to look into it and see whether in fact those are the accurate figures.

Mr. H. W. Herridge (Kootenay West): I should like to ask the Prime Minister whether the government has received any information as to the attitude of the government of Great Britain in these circumstances.

Mr. Pearson: Perhaps this information is available in the Department of External Affairs. I have not seen it as yet, but I will look into that aspect.

Mr. Eric A. Winkler (Grey-Bruce): I should like to direct a supplementary question to the Secretary of State for External Affairs or to the Prime Minister. Is the government aware of cases in which Canadians of Greek origin are currently being detained in Greece and, if so, is any action being taken to alleviate their situation?

Mr. Pearson: I am informed we have no knowledge of any Canadians of Greek origin being detained, but we shall make direct inquiries.

VIET NAM—REPORTED REFUSAL OF CHILDREN'S REHABILITATION CENTRE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Secretary of State for External Affairs regarding a press statement attributed to his parliamentary secretary to the effect that Saigon had turned down a tentative offer of a childrens' rehabilitation centre by insisting on a military hospital instead. May I ask whether this statement has reference to the children's rehabilitation centre which was proposed by Dr. Gingras and, I believe, endorsed by the minister?

Hon. Paul Martin (Secretary of State for External Affairs): Yes. As the hon. member

knows, the government had been anxious to contribute to this rehabilitation centre. I have in my hand a letter which has just come in, and which I have seen for the first time, from the minister of health in South Viet Nam. It says that our proposal for a separate rehabilitation unit is an undesirable means of producing the result we have in mind. We do not agree with this, but we shall continue our discussions.

Mr. Douglas: On January 9 I asked the minister a question as recorded at page 11536 of *Hansard*:

> Is the government of South Viet Nam withholding approval in respect of Dr. Gingras' proposal because of an insistence that the doctors and members of the staff come under military medical personnel?

The minister's answer was "No, Mr. Speaker". I want to ask the minister whether the situation has changed since then.

Mr. Martin (Essex East): That must have been one of the days when I was not hearing well. What was the date again?

Mr. Douglas: The date was January 9. Has the situation changed, or was the minister misinformed at that time?

Mr. David MacDonald (Prince): Yesterday the minister was reluctant to answer a question I put to him, one which suggested a solution to this problem. Can he tell us today when we may expect a report on the possibility of bringing these Vietnamese civilians to Canada for rehabilitation?

Mr. Martin (Essex East): I think I indicated that this suggestion was being examined.

Mr. MacDonald (Prince): But when may we expect a final report on it?

An hon. Member: In due course.

FLOODS

FRASER RIVER—INQUIRY AS TO POSSIBLE EMERGENCY ACTION

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources. Could he indicate to the house any decision that was reached at the recent federal-provincial conference regarding measures to be taken in the event of a flood emergency in the Fraser river valley?

[Mr. Martin (Essex East).]

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, this question should have been directed to the Minister of Industry, who is responsible for EMO. May I ask him to answer it.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, some time ago a telegram was sent from the Prime Minister to the premier of British Columbia offering the assistance of the federal government in respect of the potential flooding situation in British Columbia. I would be glad, if it would be of interest to the house, to table that telegram and the reply to it from the premier of British Columbia. Both these have already been published, and with leave I would like to table them.

I might also add that recently during discussions between Mr. Williston of the British Columbia provincial government and my colleague the Minister of Energy, Mines and Resources, Mr. Williston assured my colleague that all the necessary steps in respect of planning and preparation for floods were being taken by the province which of course has primary responsibility, and that the fullest co-operation was being exhibited between the federal and the provincial governments.

Mr. Speaker: Has the minister leave to table the communications to which he has referred?

Some hon. Members: Agreed.

Mr. Patterson: As a supplementary question may I ask if the question of the implementation of the recommendations in the Fraser river board report was discussed in that conference?

Mr. Pepin: That is under my responsibility, Mr. Speaker. I can say that the ministers have come to agreement on a certain project and Mr. Williston and myself are going to take up this project for approval by both our cabinets.

MR. JUSTICE LANDREVILLE

INQUIRY AS TO ACTION PROPOSED BY GOVERNMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Some weeks ago it was stated that early action would be taken by the government regarding the case of Mr. Justice Landreville. Has the government now made a decision as to the action

it intends to bring before the House of Commons, and will this matter receive early attention immediately after the speech from the throne has been voted on?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, this matter will receive early attention and I hope to make an announcement before long.

Mr. Diefenbaker: Is the Prime Minister in a position to say that the matter will be placed before the House of Commons by way of impeachment?

Mr. Pearson: Mr. Speaker, I would prefer that the right hon. gentleman wait until I make the announcement in the house concerning the course we will recommend to parliament.

FINANCE

QUEBEC—PROVINCIAL DEPOSIT INSURANCE SCHEME

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. Since the passage of the Canada Deposit Insurance Act have the minister, his officials or any of the officers of the Canada Deposit Insurance Corporation had any discussions with the government of the province of Quebec with regard to the separate scheme which that province has indicated it wishes to set up? In addition, is it the minister's information that the federally incorporated chartered banks will be subject to a double impost in the event of there being a provincial scheme?

Mr. Speaker: Order. I suggest to the hon. gentleman that the question should be placed on the order paper.

TRADE

REQUEST FOR REPORT ON GENEVA TARIFF NEGOTIATIONS

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether he can make a report to the house in respect of the current tariff negotiations at Geneva and, in particular, whether he can say if a breakdown is as imminent as seems likely from this morning's news reports. If so, what initiative is the Canadian government taking to protect Canada's trade in wheat and other important commodities?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, the negotiations at Geneva have reached another of their delicate and critical stages. The secretary general has just issued a communiqué saying he still is hopeful that agreement can be reached through concerted effort and good will on the part of those concerned. Most negotiating teams have returned to their countries to receive further instructions. It is expected, however, that negotiations will resume later this week, probably on Friday. Sunday has been set as the termination date. It is hoped that agreement in some degree can be reached by that time.

So far as the role of the government is concerned, we have been in close consultation. I have been in Geneva myself a number of times, as have some of my colleagues. I am returning to Geneva tomorrow and will be accompanied by the chairman of the Canadian Wheat Board. A number of wheat board officers are there now, and it is likely that by the end of the week I will be joined by the Minister of Agriculture.

Mr. Fulton: Mr. Speaker, may I direct a supplementary question to the minister. Apart from the movement of bodies does the government plan any new initiatives?

Mr. Winters: Mr. Speaker, this has been a process of continuing initiatives. I think the role of Canada is clearly understood by all our negotiating partners.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask what progress is being made toward agreement concerning cereal grains. I have particular reference to the statement which appeared in the press to the effect that the two groups of governments which were bargaining were getting close to a figure which has been mentioned as $1.72 to $1.74. Can the minister give us any information on this rather strange figure which has been quoted in the press?

Mr. Winters: That is purely speculative. We never have revealed the precise figure because we are negotiating; otherwise there would be no negotiation. We are, however, asking for a substantial increase over the present price under the I.W.A.

Mr. Nesbitt: Mr. Speaker, could the Minister of Trade and Commerce tell us whether he will still be receiving the advice of the Minister of Agriculture on or about May 24?

Inquiries of the Ministry

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Minister of Trade and Commerce. Did he authorize the premier of Saskatchewan to indicate that the increase in the price for wheat under the international agreement would be 20 cents?

Mr. Speaker: Order, please.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct my question to the Minister of Finance. Could the minister advice the house when he expects to present his budget to the house.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the date has not yet been fixed.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS

STATEMENT BY QUEBEC MINISTER ON CULTURAL EXCHANGES WITH FRANCE

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the hon. Secretary of State for External Affairs.

Is the minister aware of the wild statement made by the Quebec minister Jean-Noël Tremblay to the effect that cultural exchanges with the French government concern Quebec only, and can he state categorically what attitude the central government has adopted with regard to that touchy matter?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have read a report on the speech the minister made in Montreal last Sunday. If I am not mistaken, I believe he criticized us because we decided to grant subsidies to a benevolent organization known as AUPELF. I feel that in the interest of unity and amongst French-speaking countries, the help and initiative of the federal government should be supported.

Mr. Caouette: I have a supplementary question, Mr. Speaker.

Could the minister tell the house what prevents the province of Quebec from taking its own stand in this particular matter, without turning to federal members of parliament?

Mr. Speaker: Order. The question is out of order.

[Mr. Nesbitt.]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I have asupplementary quetsion for the Secretary of State for External Affairs in connection with the statement he has just made. Can he tell the house what prevents the central government from consulting the Quebec government, as regards other French language countries—

Mr. Speaker: Order. The hon. member's question is as much out of order as the previous one.

Mr. Allard: They are afraid to answer, Mr. Speaker. The government is lousy.

CONSULTATION RESPECTING CULTURAL AGREEMENT WITH BELGIUM

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs on the recent cultural agreement between Canada and Belgium. Has the central government consulted the provincial governments in general and the Quebec government in particular before concluding such an agreement?

Mr. Speaker: Order. This question should be put on the order paper.

Mr. Allard: At ten o'clock, Mr. Speaker.

[*English*]

AGRICULTURE

INQUIRY AS TO REQUEST FOR MEETING WITH FARM ORGANIZATIONS

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Agriculture. Did he receive a request from the U.C.C., the O.F.A. and the O.F.U. for a meeting on May 24 and, if so, what was his reply?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I received such a request and also a request from the dairy farmers of Canada for a meeting, which was held last Friday afternoon. I suggested several alternative dates to the other organizations and I am awaiting their replies in this regard.

Mr. Winkler: I have a supplementary question, Mr. Speaker. Is it true that the reply to this request on the part of these three recognized organizations was sent on the evening of May 5 but dated May 1?

Mr. Speaker: Order, please. That question is not in order.

FINANCE

REQUEST FOR STATEMENT ON TAXATION COMMISSION REPORT RESPECTING MINING

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct my question to the Minister of Finance. In view of the disastrous effects of the Carter commission report on the mining industry, particularly in British Columbia, will the minister be making an announcement soon regarding the government's intentions in respect of that aspect of the commission report relating to taxation of mining companies?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am not in a position to answer that question today.

EXPO '67

REPORTED UNDERWORLD CONNECTIONS OF ASSOCIATED FIRMS

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, my question is directed to the Minister of Trade and Commerce or the Solicitor General, and relates to the statement last week by the former minister of justice of Quebec, Mr. Wagner. He suggested that four companies in Montreal working at Expo were fronts for the underworld. Is the government making any inquiries in this regard and, if so, will the minister report to the house on this matter as soon as possible, if not today?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I have been informed by Expo officials that these allegations are being investigated by the Quebec provincial police and Expo security officials. As have officials of my department, I have been in touch with Expo officials, and the R.C.M.P. are co-operating in this investigation.

Mr. Langlois (Mégantic): Will the minister give further details to the house regarding this matter when the reports have been received?

CANADIAN BROADCASTING CORPORATION

REPORTED AGREEMENT WITH RUSSIA RESPECTING BROADCASTING

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Secretary of State whether the Canadian Broadcasting Corporation has entered into an arrangement or agreement with the Soviet union or the Kremlin in connection with broadcasting, and what are the terms of the arrangement, if any?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I do not know whether they dealt with the Kremlin, but I read in the newspapers that such an agreement had been negotiated. I will have to check the information in this regard.

Mr. Diefenbaker: It could be with no one else if it was with Russia.

NATIONAL PARKS

BANFF—PROTEST RESPECTING LEASING POLICY

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development, asking whether he has received a petition signed by 324 residents of Banff protesting his policy with respect to leases. What does he plan to do about this matter?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have received a number of letters from individuals, but if a petition with 324 names has been sent this has not been drawn to my attention.

[*Translation*]

LABOUR RELATIONS

REQUEST FOR SIMULTANEOUS TRANSLATION OF PRESENTATIONS TO BOARD

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the Minister of Manpower and Immigration as member of the special cabinet committee inquiring into the Canada Labour Relations Board.

Is the minister in a position to say, further to the charges made by the C.N.T.U., of which he is a former president, that it could not be heard nor present its requests in French before the Canada Labour Relations Board, whether he now intends to take the necessary steps to have the French language recognized and to have simultaneous translation of the proceedings of the Canada Labour Relations Board?

Inquiries of the Ministry

Mr. Speaker: I hardly think that this question is so urgent, and the hon. member may agree to put it on the order paper. If he feels I am making a mistake, he may bring it up at ten o'clock.

Mr. Grégoire: Mr. Speaker, I am putting this question precisely in view of the fact that the C.N.T.U., through its television and film employees union, is to appear in the next few days before the Canada Labour Relations Board. Consequently, it is urgent to know whether the mother tongue and the rights of these workers will be recognized.

Mr. Speaker: Order. The hon. member has made representations to the minister.

[*English*]

HOUSING

REQUEST FOR MEASURES TO STIMULATE SPRING STARTS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in view of the continuing housing crisis in the country I would ask the Minister of Labour whether the government is seriously considering acting on the measures discussed in the speech from the throne, in order to stimulate spring housing starts.

Mr. Speaker: Order, please. The question is much too general in its terms and cannot be accepted.

Mr. Grafftey: It is not very general when you are looking for a house; it is a very specific problem.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

[*Later:*]

Mr. J. R. Keays (Gaspé): Mr. Speaker, I have a question for the government house leader. In view of the great emphasis on housing in Canada and its problems, is the government giving consideration to setting up the standing committee on public works and housing so that we may go into this problem thoroughly and try and find some solution to it?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the matter of house committees is under consideration.

Some hon. Members: Hear, hear.

[Mr. Grégoire.]

FISHERIES

NOVA SCOTIA—POSSIBLE EXTENT OF STORM DAMAGE

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. I wonder whether the minister could advise the house of the extent of the storm damage sustained by lobster fishermen particularly on the eastern and western shores of Nova Scotia; and could he advise the house whether the damage is of such proportions that the government might consider taking some immediate action to offset the loss of the season?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I am fully aware that there have been a series of storms in that section of Nova Scotia which have caused serious damage to the lobster traps. I have asked the officials of my department to assess the damage and report at the earliest possible date. I am sure the hon. member is aware of the fact that any loss or disaster of this kind is also a responsibility of the province in assessing the damage and making representations to the federal government if it is found that the damage sustained is of disaster proportion and is away beyond the means of the provincial government to deal with.

BUSINESS OF THE HOUSE

CONSIDERATION OF LEGISLATION RESPECTING CAPE BRETON DEVELOPMENT CORPORATION

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the right hon. Prime Minister. Now that we have had the throne speech and the Cape Breton Development Corporation has been mentioned, can the right hon. gentleman advise us what position this legislation has on the house agenda and how soon we may expect such legislation to be introduced?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we are making progress and will be able to make an announcement shortly.

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker, I wish to direct a supplementary question to the Minister of Energy, Mines and Resources. May I ask him whether the personnel of the corporation will be appointed prior to or after the introduction of the legislation.

Mr. Speaker: Order, please. I doubt that this question is in order.

WATER RESOURCES

REPORTED AGREEMENT TO ESTABLISH NATIONAL ADVISORY COUNCIL ON POLLUTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Energy, Mines and Resources which is of urgent and prime national importance. Is it correct that the federal government has accepted in principle a resolution that has been placed on the order paper for over five years by the hon. member for Kootenay West, by an agreement in principle between the federal and provincial resource ministers to establish a national advisory council on water pollution? Can the minister inform the house of any such proposal or agreement?

Mr. Speaker: Order, please. I do not think the question and the hon. member's assertions are acceptable at this time.

[*Later:*]

Mr. Herridge: I have a supplementary question, Mr. Speaker. In view of the interest in the water pollution council would the minister be prepared to ask the consent of the house to return to motions so as to answer my question?

FISHERIES

BRITISH COLUMBIA—PROPOSED SALMON FISHING BOUNDARIES

On the orders of the day:

Mr. D. W. Groos (Victoria (B.C.)): Mr. Speaker, if I may phrase my question in the idiom of my friend the hon. member for Kootenay West, I have a question for the Minister of Fisheries, of which I regret I have not given him notice, which is of vital interest to thousands upon thousands of sports fishermen everywhere and sportsmen particularly in the west. Has the minister received a telegram from the Amalgamated Conservation Society of British Columbia expressing their intense concern over his department's proposals on commercial salmon fishing boundaries in the straits of Juan de Fuca; and if so, is the minister prepared to discuss this matter further at a meeting with the society before arriving at a final decision, which he must do soon?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I have received not one but a number of telegrams and letters from sports organizations regarding the matter referred to by the hon. member. A meeting has taken place between officials of my department and representatives of these sports organizations. While no definite decision has been reached, the matter is under study, and at this time I am not in a position to assure the hon. member that a further meeting will be held before a decision is reached.

CO-OPERATIVES

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question that I wish to direct to the Prime Minister. On April 4 the Prime Minister, in reply to a question asked by the hon. member for Lisgar (Mr. Muir), indicated that the hon. member should await the throne speech to see the proposals regarding legislation affecting co-operatives. In view of the absence of any specific mention of co-operatives, is it not now the intention of the government to proceed with any legislation in this regard?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there are a good many pieces of legislation with which we propose to proceed that were not mentioned specifically but were included in the omnibus paragraph toward the end of the speech from the throne. Perhaps tomorrow I will be able to mention them all specifically.

HEALTH AND WELFARE

TORONTO—REQUEST FOR INCREASE IN HOSPITAL CONSTRUCTION GRANTS

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare concerning a subject I have raised now in the house for some five years.

An hon. Member: It cannot be urgent, then.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Scott (Danforth): I do not understand the reaction, Mr. Speaker, but the subject is even more urgent today than when it was first raised five years ago. It concerns the continual and continuing critical shortage of hospital beds in metropolitan Toronto, where there are long lists of people awaiting urgent

surgery. In view of this continuing crisis I wonder whether the minister is now prepared to reconsider the somewhat niggardly grant made by the government—

Some hon. Members: Order.

Mr. Scott (Danforth): —toward the construction of hospitals so the municipalities can expand this construction and try to take care of the long lists of people who are urgently awaiting surgery.

Mr. Speaker: Order, please. The hon. member might want to put the question on the order paper.

Mr. Scott (Danforth): As a supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member might also put the supplementary question on the order paper.

Some hon. Members: Hear, hear.

Mr. Scott (Danforth): Ten o'clock, Mr. Speaker.

[*Later:*]

Mr. Scott (Danforth): Mr. Speaker, I should like to rise on a question of privilege, if I may, and ask Your Honour, in view of the ruling you made on my earlier question, why it is that the health and welfare of some two million people is not a subject which can be raised as a matter of urgency on orders of the day.

Mr. Speaker: The question raised by the hon. member is not a question of privilege, as I am sure he knows, and he should rephrase his question.

COAL

ALBERTA—NEGOTIATIONS RESPECTING FREIGHT RATES ON SHIPMENTS TO JAPAN

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, my question is directed to the Minister of Transport. In view of the question asked by the hon. member for York South in reference to the important matter of the export of coal from western Canada to Japan, and in view of the minister's reply that his answer might be involved, would the minister be prepared in the next few days to made a statement on motions in reference to this large contract with Japan which has now been usurped by the C.P.R.?

[Mr. Scott (Danforth).]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I would think that in the course of the next day or two the Minister of Energy, Mines and Resources or I would be able to make some statement about this matter. I certainly hope so.

Mr. Lawrence E. Kindt (Macleod): A supplementary question, Mr. Speaker. Could I ask the Minister of Transport whether in making his reply he will include any discussions he has had with the Canadian Pacific Railway with respect to running a coal type commuter train between the Crowsnest pass and Port Moody, B.C.

Mr. Pickersgill: It was not a commuter train; it was a unit train. But I think that is what the hon. member really meant.

NATIONAL DEFENCE

SUGGESTED FILMING OF ARMED FORCES TATTOO

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, I should like to ask a question of the Minister of National Defence. I would ask the minister, in view of the excellence of the armed forces tattoo now touring the country, whether the government has given any consideration to the preparation of a film of this event so as to made it available to Canadians in smaller communities across the land.

Mr. Speaker: Order, please. I do not think this suggestion to the minister should be made by way of a question at this time.

AIR CANADA

USE OF U.S. PILOTS IN LEASED DC-9 AIRCRAFT

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Transport. Will United States pilots be used for the DC-9's leased by Air Canada from the United States? If so, have Canadian pilots filed injunctions against Air Canada in this regard, and what is the attitude of the government?

Hon. J. W. Pickersgill (Minister of Transport): There are so many "ifs" "ands" and "buts" in the hon. gentleman's question that I think I should get advice before answering it.

Mr. Bell (Saint John-Albert): Will the minister report to the house on this?

OIL

REPORTED U.S. PRESSURE TO REDUCE IMPORTS FROM CANADA

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources. In view of the repeated press reports of pressure being exerted on the Canadian government by the United States government to curb the growth of oil imports from Canada into the United States, can the minister assure the house that these oil exports to the United States, which are so necessary to Canada's economy, will be continued?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): What I can say is that conversations between Canada and the United States regarding oil are now in progress, and each side is pressing its views with vigour.

Mr. Eldon M. Woolliams (Bow River): I have a supplementary question, Mr. Speaker. In view of the importance of the question and the minister's answer will he be prepared to made a full statement in the house with regard to the government's policy on petroleum, if it has a national policy at the present time?

Mr. Pepin: Mr. Speaker, I think I can make it now. Our policy is to sell as much as we can in the United States, which is part of the national oil policy.

GRAIN

MANITOU SEED WHEAT—REQUEST FOR REMOVAL OF EXPORT EMBARGO

On the orders of the day:

Mr. George Muir (Lisgar): I have a question for the Minister of Agriculture. In consideration of the fact that even at this late date there is still a large surplus of Manitou seed wheat in the hands of Canadian growers, is it the government's intention to lift the export embargo on this grain going to the United States?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the last official information I had in this regard was to the effect that the agricultural association was satisfied with the policy being pursued. However, I will be glad to give it a current look.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Inasmuch as subsidized transportation costs have been mentioned in the speech from the throne I wonder whether the minister could tell us if this subsidization will be available to the 500,000 unemployed people of Canada?

Mr. Speaker: Order.

ADMINISTRATION OF JUSTICE

STEVEN TRUSCOTT—CONSIDERATION OF GRANTING OF PAROLE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of his indication yesterday morning that he would look into the parole aspect of the Steven Truscott case, may I ask whether he is yet in a position to make any announcement on this matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have discussed this matter with the two ministers concerned and it is not our intention to take any action at the present time.

HAL BANKS—INQUIRY AS TO LAYING OF PERJURY CHARGE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, my question is directed to the Solicitor General. It has to do with the phantom Hal Banks. Is it true that the R.C.M.P. has come to the conclusion that it has sufficient evidence upon which to charge Banks with perjury and that it has already laid or is about to lay the necessary information?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I have nothing to add to what the Minister of Justice stated just before the recess in reply to a similar question. If I remember correctly, at that time he informed the house that members of the R.C.M.P. were awaiting further advice from the attorney general's department.

Mr. Diefenbaker: May I then direct my question to the Minister of Justice. Is it a fact, as reported in the press, that the R.C.M.P. has advised the attorney general's department of Ontario that there is sufficient evidence to indict Banks for perjury, and that the R.C.M.P. has laid or is about to lay the necessary information to start the wheels of justice turning?

Inquiries of the Ministry

Mr. Speaker: Order. I believe the question as asked is not acceptable. The right hon. Leader of the Opposition is asking the minister to confirm or deny a press statement.

Mr. Diefenbaker: Mr. Speaker, I was doing that to help. May I then ask the minister the following question. Is it true that the series of questions I asked are based on fact?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, the right hon. gentleman knows that in this case the administration of justice is in the hands of the provincial attorney general, that in this particular investigation the R.C.M.P. which is acting as his agent is reporting to him, and that it is he who will have the answer. Personally I do not know whether the allegations to which the right hon. gentleman has referred are well founded.

Mr. Diefenbaker: The government of Canada has been very solicitous of Banks.

FINANCE

INQUIRY AS TO CONTROL OF U.S. CAPITAL INVESTMENT

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, I have a question for the Minister of Finance with reference to the policy of the former minister regarding the investment of United States capital in Canada. Can the present Minister of Finance inform the house what steps are being taken to control United States capital investment in Canada, which according to estimates by the United States commerce department reached a record of $2.3 billion in 1967?

Mr. Speaker: Order. The hon. member's question is much too large in scope and I do not think it can be asked now.

BANKRUPTCY

REQUEST FOR COMMITTEE CONSIDERATION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, my question is directed to the Registrar General. I asked it in the latter part of the last session, and Your Honour advised me to ask it in the new session, which I am doing now. Is it the intention of the Registrar General and the government to establish a special committee in this new session to study the complaints against bankruptcies which have been made all across the country?

[Mr. Diefenbaker.]

Hon. John N. Turner (Registrar General): Mr. Speaker, a three man committee has been sitting for over a year studying the question of a general revision of the bankruptcy law. However, I will be glad to take the hon. member's suggestion into consideration.

EXTERNAL AID

INDIA—REPORTED LOSS OF FLOUR THROUGH FAULTY BAGS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Secretary of State for External Affairs. I wonder whether he can now bring us up to date on the case of the broken flour bags in India. I ask this question in view of the fact that according to press reports the minister has issued a denial of the allegations in this regard, but press reports still continue that a large quantity of our flour is being dispersed out of broken flour bags.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have already made a statement on this subject. I will see whether, in view of this question, anything further should be added. However, I do not believe there is anything I can add.

PILOTAGE

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I should like to direct my question to the Minister of Transport. Now that we are in the new session I wonder whether the minister has any new information regarding the long awaited report of the pilotage commission, and when we can expect it.

Hon. J. W. Pickersgill (Minister of Transport): Yes, sir, I have. I happened to meet the chief commissioner by accident at the launching of a ship in Quebec the other day, and he told me he hoped to have the report ready some time in June. I hope so, too.

VETERANS AFFAIRS

INQUIRY AS TO INTERIM ADJUSTMENTS IN PENSION RATES

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): I should like to direct my question to the Minister of Veterans Affairs and ask whether

he has yet received the report from the committee which is studying the question of pension rates.

Hon. Roger Teillet (Minister of Veterans Affairs): No, Mr. Speaker, I have not yet received it.

Mr. Patterson: I have a supplementary question, Mr. Speaker. I should like to ask the minister whether he would now consider the advisability of further interim increases in view of the delay in receiving this report.

Mr. Speaker: Order. The hon. member is now making a submission, not asking a question.

• (3:20 p.m.)

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. DON JAMIESON AND SECONDED BY MR. FLORIAN CÔTÉ

The house proceeded to the consideration of the speech delivered by His Excellency the Governor General at the opening of the session.

Mr. Don Jamieson (Burin-Burgeo): Mr. Speaker, I move, seconded by the hon. member for Nicolet-Yamaska (Mr. Côté):

That the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Roland Michener, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both houses of parliament.

This, Mr. Speaker, is my first speech in this house and I know I can expect from you the tolerance and understanding for which you are so widely and properly noted.

It is my privilege to extend the thanks of this house to His Excellency the Governor General. We are proud, I am sure, that the duties of opening this historic session were performed so well by one who was so recently a member of this assembly. No one is more aware than he that he follows a truly great Canadian. Our deep sorrow at the passing of General Vanier is revived today by the proceedings of this new session. We recall the many previous openings at which he presided and the inspiration that flowed from him because of his love of country and his deep sense of dedication.

We remember too his most gracious wife. This house will never be more unanimous than in expressing the nation's gratitude to the Honourable Madame Vanier.

Some hon. Members: Hear, hear.

Mr. Jamieson: May she enjoy many tranquil and happy years secure in the knowledge that she is held in deep affection by all Canadians.

Our new Governor General is a fitting inheritor of the tradition of selfless service. Our respect and our best wishes go with him and his charming lady as they undertake the heavy responsibilities of this centennial year.

It goes without saying, Mr. Speaker, that I am honoured to have been chosen for this assignment. I even dare to suggest that, in some respects at least, it is appropriate that at this centennial session this task should be performed by a Newfoundlander. My province has a centuries old loyalty to the crown and we are pleased, as are all Canadians, that Her Majesty the Queen is going to participate in our national celebrations.

We Newfoundlanders, sir, also have a deep and lasting loyalty to Canada. Although we have been a province for only 18 years, it is encouraging and I am sure heartwarming to all of you to know that 500,000 of your newest citizens are participating enthusiastically and with enormous pride in centennial observances.

I have to confess, Mr. Speaker, that my own loyalty to Canada was given grudgingly at first. I voted twice against becoming a Canadian. When this status was thrust upon me against my will, I had to assay Canada's worth. A stubborn recalcitrant, I demanded that this country demonstrate that it justified and warranted my loyalty. After 18 years, and against this background, let me say without qualification that today I would choose Canadian citizenship over that of any other country on earth.

I and my fellow Newfoundlanders took little part in the achievements of Canada before 1949. Therefore I can say with less self-consciousness than most that Canadians deserve to be proud of what they have done. This country has survived and flourished because its people have been prepared to fly in the face of conformity. The very existence of Canada, I suggest, proves the claim that most worthwhile things in this world are done by people who, when they are told that their dreams are vain, go on to realize them anyway.

This belief is not foreign to us in Newfoundland, Mr. Speaker. Our forefathers may well have invented it. No people have clung more tenaciously to their traditions or worked harder to wrest a living from what we all know can be a cruel sea and a stern and forbidding land. By joining with you we have reaffirmed a truth that is as old as confederation. We Newfoundlanders, I believe, have demonstrated that in order to gain the new it is not necessary to disregard or eliminate the old, that new experiences can enrich an established and proud culture. Today, Mr. Speaker, while we in Newfoundland continue to give our loyalty to the land that made us we are totally committed also to the broader national objectives with which we are all so deeply concerned in this house. Thus, I suggest that the promise of confederation has been renewed and also the wisdom of its founders vindicated.

The speech from the throne made reference to the importance and value of unity with diversity. No Canadian embraces this concept with more enthusiasm than Newfoundlanders. We know that if we are to preserve those rights which we hold so dear we must show the same respect for the rights and distinctive ways of other Canadians.

The speech from the throne makes many references to the various aspects of federal-provincial relations. It seems to me that among the most important of these are the plans to continue study of the involved constitutional question. To the extent that the layman thinks about this matter, I believe it creates a measure of bafflement and perhaps vague concern—indeed, perhaps something of both.

It is imperative, of course, that this country have a workable charter, but I suggest that unless it reflects a true concensus and unless it is the product of painstaking deliberations it may well be a patchwork of harmful compromises seeking vainly to meet diverse and transient needs. It has become commonplace to say that Canada is in a period of transition, but the statement is no less true on that account. In these circumstances the decision to refer this matter for further intensive study and exploration with the provinces is a wise one.

What we do in this house, Mr. Speaker, to define national goals can have an immeasurable effect upon the resolution of constitutional problems and questions. We represent all the people of Canada. I believe we know better than most what Canadians want for their country. I believe that in our frequent encounters with our constituents we learn that where needs exist it is not enough to tell our constituents that in denying them aid the various levels of government are performing in their proper constitutional manner. An appropriate division of powers is essential, of course, in our confederation, but I believe that Canadians would not long endure a system so rigidly enforced that it threatened our nationhood.

Let us make no mistake about it, Mr. Speaker. As one who has travelled widely in Canada, from the background I have described I am convinced that the basic desire of all Canadians is one of pride in the whole country. There is across this land an anxiety for and a commitment to unity. It would be tragic if specific regional needs, legitimate as these may be, were used to suppress the growing concern of Canadians with the well-being and welfare of their fellow citizens everywhere.

• (3:30 p.m.)

I am pleased that the speech from the throne reflects this broad outlook. I welcome the news of new regional programs. No part of Canada demonstrates more than my own riding the economic justification of such programs. Before confederation nothing stood between the people of Burin-Burgeo and stark, terrible poverty but an uncertain fishery. Today, with government assistance, many modern fish plants have been built. There are 12 within 500 miles in the southern part of my riding. Many trawlers equipped with all modern aids and equipment steam in and out of harbours where tall-masted schooners formerly sailed. Our fishermen have been freed of the curse of immobility by far reaching government programs, and in all respects a liability has been converted into an asset. A group of decent, hard working Canadians has been given an opportunity to earn a living, which is all they ask.

I say there is economic justification for these regional programs, and I welcome the strengthening of such organizations as ARDA and the Atlantic Development Board. The Atlantic Development Board has helped enormously in my riding. Today we have a massive new power development at Baie d'Espoir, resulting in the more ready availability of hydro with new benefits and new industries, the effects of which are felt throughout all Canada.

Perhaps the greatest economic revolution that has been brought about in my province

has been as a consequence of the completion of the trans-Canada highway. This government is also committed to a program of trunk roads, the economic effects of which will be as great as those of the trans-Canada highway. I am sure that the benefits to the economy of my riding and to other parts of Canada will be profound.

The problems of our rural areas, Mr. Speaker, are in sharp contrast to those of our tangled urban regions. In every great metropolis and in many cities of smaller size a host of problems has come together to create a baffling and intricate crisis. No part of the speech from the throne is more important than that emphasizing the need for action in this extremely critical area. The elements of the crisis are well known to us, and the solution will require imagination, boldness and creativity. The standard answers of the past will not do nor, I suggest, is this a time for hair splitting over areas of authority. The test of leadership at all levels may be the manner in which we deal with the problems of urban development.

There is truth in the contention that even the greatest problem can be turned to advantage. The very magnitude of our difficulties in the cities gives us an opportunity to change the entire nature of our urban environment. Expo '67 graphically demonstrates that we have the talent to reshape our cities in the image of tomorrow. I hope we take advantage of our talents. I hope that in redeveloping our decayed built-up areas and in conceiving new residential sections we are not afraid of the unconventional. Let us draw on the vivid imaginations and farsighted genius of those who can add new dimensions of enjoyment to our way of life.

Here we have an opportunity, it seems to me, to free ourselves from the stifling mediocrity of most large centres. I believe that we can restore to our children of the streets their rightful heritage of broad open spaces and good, clean air. But this will not be done by cold-blooded theorists or by slide rule administrators. This is not something that will appeal to those who believe that man is content with clothes on his back, three square meals a day and a roof over his head. The challenge is to those who would free the human spirit and relieve the monotony of our every-day lives. It is to those who would create new horizons of beauty to delight the eye, new cultural experiences to stimulate the mind, and peaceful havens where we can relieve the tensions of our hurried pace. That dream has stirred the hearts of men since the beginning of time, and I believe that if we have the will we have the ability to make it a reality. Nothing could be a greater challenge in this our centennial year.

I am not unaware of the difficulties. I have been a member of this house now for nine months. During that time I have heeded the advice of Ecclesiastes that "there is a time to keep silence." I have also followed the advice, and good advice it is, of the right hon. Leader of the Opposition who maintains that a new member ought to keep his peace for a considerable time. There is much to learn here and much from past experience to forget. I am more conscious than before of the complexities of our system, of the intricate way in which each life touches every other life in our society and of the need not only to act but to contemplate reaction. It has been a sobering, humbling and altogether salutary experience. I have a greater appreciation for the value of our parliamentary system and a much greater respect for those men of all parties who have devoted their lives to service in this house.

Most, I am sure, will agree that there has been a decline in public esteem for parliament. Nine months ago, as a brash observer from the outside I was prepared to assert without qualification that this house was the author of its own misfortunes. I am no longer certain. I agree, as all hon. members do, with that part of the speech from the throne which says that we must move quickly to change our rules and procedures and equip ourselves with the means of doing our task more rapidly and effectively. Since coming here I have been impressed by how much has been accomplished despite the present frustratingly slow methods. The record of the last session was one of the best in a hundred years. The work of the committees was excellent. Yet there continue to be those who regard parliament as a noisy cockpit where members are obsessed with senseless bickering and the pursuit of personal vendettas.

We are not without sin of course, but by the same token I believe we are the victims of an increasingly cynical and sceptical age. It may be cold comfort, Mr. Speaker, but parliament shares with the church, educational establishments and other institutions the ill concealed scorn of the iconoclast, the doubter, the disbeliever. The reasons for this widespread mood are varied, deep-seated and in many instances justified. It is sufficient today, sir, because of the limitation of time, to observe that material progress alone is not

enough to solve public unrest. An increasingly acquisitive society is an increasingly uncertain society. Greater security and a higher standard of living give us more time in which to reflect on and regret the inadequacies of our way of life. At the same time, sir, we are becoming increasingly conscious of our neglect of many of those elements contributing to the totality of human existence.

The speech from the throne offers many proposals which are designed to improve the quality of our national life, and I believe that in this centennial year these may well be the most important. If we were to follow simply the dictates of materialism I suggest that we would be hard pressed to defend the case for independence. Since becoming a Canadian I have become aware that there is a rationale behind our continuing efforts to maintain our identity. It is the justifiable conviction that we can build on this part of the continent a better society than would be possible under any other arrangement. This, sir, is not a chauvinistic view, nor does it suggest that we are intellectually superior to other men. It is simply an acknowledgement that faith, geography, history and the wisdom of our founders have created a set of circumstances almost unparalleled in the opportunities they offer.

• (3:40 p.m.)

More and more Canadians are becoming aware of this potential. Not many are clear yet as to how it can be achieved. But our young people in particular are convinced that the standard, routine methods are not the answer, nor do our present values bear any great relevance to the conception they have of national objectives. This, I suggest, is why many institutions, including this house, are held in something less than awe by the younger generation which now makes up such a large part of our population.

We ought not to ignore or dismiss as inconsequential the ideas of these young people, most of whom are committed to the future of their country. They believe in it. Our task is to involve them constructively in the nation-building process. We must be prepared to listen to them and must convince them that they can learn something from us. Most young people know that protest is not enough. They are aware that the path to progress is not across the ruins of every value which has been built up over the centuries by wise and dedicated men. What they ask is that we re-examine the old values and add new ones which will enable us to eliminate what the speech from the throne calls "social injustice, cultural mediocrity and spiritual poverty."

These young people are deeply involved with the world around them. Theirs is an outward-looking nationalism which possesses a kinship with the whole of mankind. We might well emulate their desire to share our bounty not only with those who come among us but with those in other lands who in this shrinking world are in every sense our next door neighbours. I hope and believe that this house will endorse wholly and enthusiastically the plans in the speech from the throne to humanize still further our immigration policies and to expand our foreign aid commitments.

The role of Canada in the world, however, does not consist merely in providing money, supplies and skills to the underdeveloped countries. We have demonstrated repeatedly that we in this country possess a great capacity for making a substantial contribution to the preservation of world peace. The idea of a United Nations force conceived originally by the Prime Minister (Mr. Pearson) has proved invaluable, and I am sure every Canadian takes pride in the fact that we have contributed effectively to every one of the United Nations peace keeping efforts. I believe the day will come when we shall be able to make a decisive, important and constructive contribution to a settlement in Viet Nam.

All Canadians are aware of the problems in that tortured land. All of us are conscious of the death and destruction and of the threat to world peace which must exist as long as that war continues. I believe too that there is a sense of national depression because the efforts of so many men of good will from many lands have failed to turn the participants toward the paths of peace. Surely we can agree wholeheartedly with the statement in the speech from the throne that we must pursue every avenue which may lead to a solution. I believe we are doing just that. The Secretary of State for External Affairs (Mr. Martin) has advanced many constructive, well thought out proposals and suggestions. I believe he also made it abundantly clear that we must persist in our present quiet and little publicized efforts to find a basis which will bring the parties together and result eventually in a settlement. This attitude may not be welcomed by those who condemn the actions of the United States or, indeed, by those who ask that we be totally committed to the United States point of view. The role of the peacemaker is never easy. But I am satisfied, and I am sure most hon. members are, that it

is an appropriate role for Canada in the world and, what is more important, it is one that is exactly in tune with our national temperament. I am sure that the policies we are following in this most difficult area meet with the approval of the vast majority of the Canadian people.

The tragedy of Viet Nam and the high emotion it generates reflect what I believe to be a communications crisis. It is one of the supreme ironies of our time that with more ways of communicating than ever before we seem to be talking at each other with little apparent effect. There are many reasons for this, and I think we shall find they exist in our national life as well.

The speech from the throne makes reference to dozens of proposals requiring complex negotiations between various groups of people. The secret of the success of these programs lies in the effectiveness of the ability to communicate. This is the vital element. Yet so frequently prejudice and stubborn singlemindedness as well as a subjective concern with our own desires are blocking the flow of free and full expression. We seem increasingly to be rejecting concepts which do not fit wholly into our preconceived notions and ideas. If this is so there are many contributing factors, and one of these is broadcasting.

We are shortly to introduce new legislation in this field, and I hope to have an opportunity to comment on it in detail at that time. Today let me simply call the attention of the house to the effect of broadcasting upon what I have described as the public mood. I have been involved in broadcasting all my adult life and have grown up in television. I do not pretend to know all the answers by any means. But I want to say to this house with all the conviction at my command, and with the plea that hon. members accept my sincerity, that what we know about television is dangerously little. I am appalled by the comments made so frequently by so many people, and with such conviction, on the basis of so little hard evidence.

I am held in awe sometimes by the power of this medium, by its ability to reach millions of Canadians at the turn of a switch. I shudder at the casual, offhand manner in which television sometimes deals with issues which can affect the survival of mankind. We hear a great deal about television's "hidden persuaders" and their ability to induce people to buy brand A in preference to brand B, a quality which is frequently condemned. What is too often overlooked is that those same hidden persuaders can also be used to sell ideas and doctrines which are not necessarily in the public interest. I do not suggest that television is being used subversively. The tragedy is that even if it were we do not possess enough knowledge to know.

I urge the government, when it brings in its legislation, to make provision for comprehensive and objective research which will enable us to know not only what broadcasting is doing to our society but will let us know with some certainty how it can be used more effectively to advance national goals.

Unfortunately there is not time in which to deal with all the matters referred to in the speech from the throne. Perhaps hon. members will say that is fortunate. But there is scarcely an aspect of national life which is not affected by broadcasting. Many of the matters we have before us now which deal with the greater recognition of the human being, the individual, are matters in which broadcasting can be of great assistance.

• (3:50 p.m.)

We in this house ought to remind ourselves more often than we do that it is in fact the people's house and that everything we do here affects the lives of people. The great grey, anonymous bureaucracy may have no alternative but to deal with statistics and references to units of population, samples, cells, and all the other jargon of the trade, but as members of parliament we are involved and must be concerned with human beings. The machinations of our political parties, the conflicts that occur between parties and between individuals naturally attract a great deal of attention, but they are really the froth of public life. The substance lies in what we do here and, Mr. Speaker, I can only hope that 100 years from now when this house, as it will, continues and those of that day look at the history of this centennial session they will agree that it was one that made the nation proud.

[*Translation*]

Mr. Florian Côté (Nicolet-Yamaska): Mr. Speaker, I was extremely happy to learn that the right hon. Prime Minister intended to honour the riding of Nicolet-Yamaska by asking its representative here, in this house, to second the mover of the address in reply to the speech from the throne. I am all the more happy to do so because this is the centennial session of our Canadian parliament and it will probably leave a lasting imprint on my memory.

May I be allowed first, in the name of the people of the constituency of Nicolet-Yamaska and in my own, to express our deepest sympathy to the family of His Excellency General Vanier and to wish them the necessary strength to overcome that most severe test. I should also like to pay our highest respects to the man who has accepted the heavy responsibilities of governor general of Canada.

To you, Mr. Speaker, I wish to offer my warmest congratulations for the impartial and intelligent way in which you chair the debates in this house.

I should also like to take this opportunity to congratulate those who have accepted such high posts as those of Minister of Justice, of Solicitor General, of President of the Privy Council and Member of the Administration, as well as the two new parliamentary secretaries.

I am quite sure I am expressing the feelings of all the liberal members from Quebec in congratulating most warmly the hon. Jean Marchand (Minister of Manpower and Immigration) our new leader. His appointment pleases the whole population.

Some hon. Members: Hear, hear.

Mr. Côté (Nicolet-Yamaska): My congratulations to the member for Burin-Burgeo (Mr. Jamieson) for the great ease and easy command with which he proposed the address in reply to the speech from the throne. Truly, Mr. Speaker, I wish I had his ease, his fluency, in order to express myself as eloquently as he did. But let us say that Providence did not mete out its blessings equally and that I accept what little talent it has given me. The fact that I have been asked to second the motion for the address in reply to the speech from the throne, in a different language, is evidence that here in Canada, no matter what language we may speak, we can unite our forces to build a greater Canada.

Some hon. Members: Hear, hear.

Mr. Côté (Nicolet-Yamaska): The interest taken by the right hon. Prime Minister (Mr. Pearson) is not limited to asking me to second the motion for the address in reply to the speech from the throne. In fact, since the coming into office of the Liberal party, all my constituents, mainly those in the rural areas, have been pleased with the numerous advantages they have had, as they were perhaps the group most forsaken in the past.

[Mr. Côté (Nicolet-Yamaska).]

Since my election I have not taken part in the debates very often, and the same is true of the hon. member for Burin-Burgeo. Perhaps I understood the statement of the Leader of the Opposition (Mr. Diefenbaker), and I did not speak often, although I could have done so on many occasions, in view of what I know about farming. I do not wish to offend anyone but I will try to dot my i's and set the record straight about various things I did not find quite normal in some speeches made in this house. However, when some hon. members in great flights of oratory criticized the farm policy of the present government, I could have taken the floor quite often on some particular points and proved to those speakers that they did not know anything about rural life in eastern Canada.

Some hon. Members: Hear, hear.

Mr. Côté (Nicolet-Yamaska): Instead, I tried to understand them, but I realized that what possibly mattered was simply to filibuster. Yet, when they had the opportunity during six years they were in power, from 1957 to 1963, to implement the great appreciation they had for agriculture, particularly for eastern Canada, they did not act. So, to me who sat and listened, it was difficult to take these statements seriously because, after all, for us who live in eastern Canada, perhaps in a rural environment, we have built much and brought forward claims which were not considered at the time by those who now create this opposition.

Listening to the speech from the throne, I noted that many beneficial measures are provided for, particularly as far as the rural people are concerned, the people whom I represent being from Nicolet-Yamaska.

Nicolet-Yamaska is a constituency bordered by the St. Lawrence river to the north, to the east by the constituency of Lotbinière, so well represented by the present member (Mr. Choquette), and to the south by the constituency of Drummond-Arthabaska, represented by the Minister of Energy, Mines and Resources (Mr. Pepin), who so ably supports the efforts of our leader here in the Canadian parliament, and by the constituency of Richelieu-Verchères to the west.

• (4:00 p.m.)

The people of Nicolet-Yamaska, a riding which is agricultural to the extent of 80 per cent, are deeply attached to the finest French-Canadian traditions. Their generosity prompts them to share in every joy as well as in the greatest hardships. We take pride in many institutions, such as the two seminaries

of Nicolet; several religious orders, the Agricultural School, educational institutions which have always shown an untiring devotion to duty. I am not overlooking either the test and experimental plant of the Department of National Defence in Nicolet, and the most recent investment of $106 million, wholly financed by the federal government, for a thermo-nuclear plant in Gentilly.

Mr. Speaker, I had the privilege, a week ago, of being present at the benediction of a cultural centre. The federal government had provided $50,000, that is, 50 per cent of the cost of construction. The centre was built in Saint-Grégoire, in one of the seven municipalities of the new town of Bécancour. The heaviest Canadian industries may settle in that town, which came into being only a year and a half ago, for there are plans for building ironworks there.

Nevertheless, as I was saying earlier, the county remains agricultural. In fact, it is a potato growing and hog breeding county, but dairying is the main occupation. Since I am a farmer, I could not help but deal in my speech with matters connected with agriculture. I thought of everything the present government has done in that field. I must say I am proud of it, even if we have not yet achieved the objectives which the farmers are claiming through their professional association.

To illustrate that point, I will refer to 1957. Again, I do not want hon. members, especially those on the other side of the house, to feel that I am trying to criticize systematically, because I do not think it is normal for a citizen to try to build something by destroying everything. I would not want to be like that. But in the light of the facts and of the speeches I heard, I must try to draw a difference with what I have experienced, because you must keep in mind that the figure to which I will refer are figures I have experienced.

In 1957, on my own farm, I was selling milk at $2.90 per hundredweight; with a production of 300,000 pounds of milk, that meant an income of $8,700.

Six years later, in 1963, I was selling the milk at $2.76 per hundredweight. That decrease, after six years of administration, brought down my income to $8,280. That was a difference of practically $400, and yet, the cost of living had risen for farmers as well as for other classes of society.

From 1963 to 1966, under an administration which perhaps understood the problems of eastern Canada and of the Canadian dairy industry, I could sell milk for $4 per hundredweight for a production of 300,000 pounds of milk, which means that I could receive an income of $12,000.

If I refer now to the dairy policy announced by the hon. Minister of Agriculture in March 1967, that price was raised to $4.75. Therefore, anyone who produces 300,000 pounds of milk will now receive $14,250. This is a rather large increase, and I think that it is fair to mention it. No other member knows better than I do the needs of our agriculture, because I personally experienced those problems.

In the light of those figures, perhaps I can appreciate the soundness of the policy or of the measures put forward by the present government.

The situation was the same in hog breeding in 1957, when the then government handed over the administration of the country to another government. We farmers in eastern Canada and throughout the country were guaranteed at least $23 per hundredweight. No one could not make ends meet with $23, but at least we were sure the price would not fall below $23.

In 1958, agricultural specialists went around in my area, as they probably did everywhere else throughout Canada and told us: Farmers, produce milk, produce pork and your prices will be paid, because the government plans some sort of evolution in agriculture. We put our trust in the government, and what were the results? In 1959, more specifically in the second week of January, I sold my pork for $17.80; the following week, for $18.10, and that under a government in which Canada had placed its trust.

It was sad to hear a father tell his sons that they were going through what he had experienced in the years 1929, 1930, 1931 and 1932. Maybe we had to exert quite a bit of pressure, so much so that we who lived in rural areas had the reputation of always complaining. That is why I will be proud in a few moments to come back to a question put by someone opposite in order to clear up a few things.

Ever since I first came to this house and started listening to those who formed the government during the time we called "the dark period", it has been difficult for me to take them seriously. How many other pieces of legislation did we not ask for? For instance, a Canadian board for the dairy industry, a government agency for the distribution of

feed grain in eastern Canada, unemployment insurance for farm workers.

As for pressures, I exerted some myself, since I was an official in my own professional association and I cannot understand how those who, today, understand fully the farmers' problems, seem to be anxious to help them but did not understand them while they had the opportunity, when we voiced our requests; today, we are faced with a kind of understanding which seems to stem from the change of government.

Therefore, it is difficult for us, from the rural areas, to know exactly what is going on. That is why I am proud to be here, to find out what really happened and that is why, Mr. Speaker, I could, on a number of occasions, have risen on specific points as I stated before, but I chose to wait and try to understand, and today the light is bright enough.

I would now like to add a few words, not as a Liberal member or as a representative of a Liberal party, but as a farmer.

I heard a little while ago a member asking the Minister of Agriculture (Mr. Greene) whether he knew about a date; he mentioned May 24.

Mr. Speaker, I am asking all the hon. members not to use the agricultural class, the farmers, as a political football. The producers of manufacturing milk will perhaps be coming here, in the national capital, to voice their needs and not do as many may think, that is to criticize the government. On the contrary, farmers are more intelligent than that. They will support this government in its efforts to help them in the face of all other classes of society.

• (4:10 p.m.)

And I would not want to see somebody rise in some corner of the house and try to prove that the march that the farmers are going to make on Ottawa is a strong criticism of the whole government policy. I was surprised at the comments of those who did not understand us. In fact, it is said that it would not be logical for the government not to grant $5 per hundredweight. But if we farmers had asked for $6, there is no doubt that some hon. members would have risen and said: It takes $6. If we had asked for $7, others would have risen and said: It takes $7. And had we asked for $8, perhaps the hon. member for Lapointe (Mr. Grégoire) would have risen and said: It takes $8. But that is not what we farmers are asking for.

We are only asking to be able to live like the other classes of society. We are, I think among those who were elected to administer Canada. We must remember that within that same Canada there is what is called the rural community. And it may be the social class which contributes the most to the country's economic progress.

Some hon. Members: Hear, hear.

Mr. Côté (Nicolet-Yamaska): I would like it to be understood on both sides of the house that if we of the government party, who administer the business of Canada, are responsible for deciding that such or such a thing must be done, then we must also decide where the money will come from. We must also ask ourselves what will be the repercussions of this or that step we will take. It is not for us only a matter of saying: We must do this. No, we must administer and to administer means to anticipate.

When I think that the farm income has increased in the past three years and a half and reading over the speech from the throne, I have no hesitation in visiting every part of our rural areas, because farmers are aware of what the government has done for them.

Some hon. Members: Hear, hear.

Mr. Côté (Nicolet-Yamaska): I should not want to overlook a certain part in the speech from the throne, the one about our relations with foreign countries. In fact, I am happy to note that in the field of diplomacy, Canada will stress its efforts, particularly through the United Nations, to promote world peace. That long-sought peace, we have experienced it, so to speak, on the opening day of Expo 67 when everybody rejoiced.

At the Place des Nations, after the usual speeches and the official opening by His Excellency the Governor General, as every country taking part in this great world event was named, we could see floating in the blue sky the flag symbolizing its pride. All participating countries were named. The last one was ours, and our flag, the flag of all Canadians was raised to the sound of cheers. Then a complete silence ensued. Perhaps everyone present was meditating on his participation in that world event. And this joy through which we have lived, Mr. Speaker, we owe it to a great Canadian, the hon. Prime Minister of Canada.

Some hon. Members: Hear, hear.

Mr. Côté (Nicolet-Yamaska): We also owe it to the Liberal members who have fought

night and day to obtain this flag, a symbol of our independence and a source of national pride.

Mr. Speaker, for all these reasons and many others, it is an honour for me to support earnestly the address in reply to the speech from the throne.

[*English*]

On motion of Mr. Diefenbaker the debate was adjourned.

On motion of Mr. MacEachen the house adjourned at 4.17 p.m.

HOUSE OF COMMONS

Wednesday, May 10, 1967

The house met at 2.30 p.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SILVER CROSS WOMEN

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am sure the house will bear with me when I mention that in the gallery there are a very large number of members of the Silver Cross Women's Association, women who gave their husbands or their sons in the last war. To them this house would wish to do honour.

Some hon. Members: Hear, hear.

• (2:40 p.m.)

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I know the house is grateful to my right hon. friend for calling our attention to the presence of these distinguished visitors. There are no people in Canada more worthy of our honour.

Some hon. Members: Hear, hear.

IMMIGRATION ACT

AMENDMENT INCREASING AMOUNT AVAILABLE FOR TRANSPORTATION EXPENSES

Hon. Jean Marchand (Minister of Manpower and Immigration) 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 Immigration Act to increase from twelve million dollars to twenty million dollars the present limit on the total amount of outstanding advances at any one time that may be made to enable the Minister of Manpower and Immigration to make loans to immigrants to assist them with the expenses of their transportation to Canada.

Motion agreed to.

MANPOWER AND IMMIGRATION COUNCIL

PROVISION FOR APPOINTMENT OF MEMBERS, ADVISORY BOARDS ETC.

Hon. Jean Marchand (Minister of Manpower and Immigration) 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 provide for the establishment of a Canada manpower and immigration council, of advisory boards and of regional and local manpower committees; to provide also for the appointment of the members thereof, their remuneration, allowances and other expenses; and to provide further that all expenditures for the purpose of the act shall be paid out of moneys appropriated by parliament therefor.

Motion agreed to.

NATIONAL PARKS ACT

AMENDMENT TO ESTABLISH CROWN CORPORATION TO MANAGE PROPERTY

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development) 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 Parks Act to authorize the establishment of a crown corporation to be known as the National Parks Leaseholds Corporation to develop, manage and maintain property in national parks of Canada; to provide for the constitution, organization, financing and powers of the said corporation; to authorize the Minister of Finance to lend money to the corporation up to twenty million dollars; to authorize the governor in council to add crown owned lands to existing national parks; to establish a procedure for transfer and retransfer of the administration, management and control of certain property in the national parks to and from the National Parks Leaseholds Corporation and to provide for property management agreements between the minister and the said corporation; to provide new legal description for certain national parks and to establish another national park in Nova Scotia; and finally to provide for other consequential changes in connection with the establishment of the corporation and the administration of the act.

Motion agreed to.

EXTERNAL AFFAIRS

VIET NAM—STATEMENTS RESPECTING CANADA'S POSITION ON CONTROL COMMISSION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the

Prime Minister whether his attention has been drawn to an article by Gerald Clark, associate editor of the Montreal *Star* and to a C.B.C. statement by Tim Ralfe which placed before the Canadian people a situation in regard to Canada's membership on the international control commission which, if untrue, in the interests of our relations with the United States and with the free world demands the strongest condemnation and, if true, requires full and complete investigation of the operations of this commission.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my attention, of course, has been drawn to these articles. I have already issued a statement emphatically denying their accuracy. The Secretary of State for External Affairs has also issued a statement denying the accuracy of these reports and I would be glad, Mr. Speaker, but perhaps not at this moment, to table both these statements to show there is no foundation for these allegations.

Mr. Diefenbaker: In the interests of securing the widest possible publicity for the denials that have been made would the Prime Minister have both these gentlemen, who were in Viet Nam and who have always had a reputation for responsibility, brought before a committee of parliament—the external affairs committee would be an example—so they may tell their story there and be subject to cross-examination?

Mr. Pearson: I would be very glad indeed, Mr. Speaker, to give consideration to this. I think it is an interesting and important suggestion by my right hon. friend that when the committee on external affairs is meeting it might be a very good thing to have these gentlemen appear before the committee and substantiate their statements.

Mr. Speaker: Has the hon. member for Greenwood a supplementary question?

Mr. Brewin: Mr. Speaker, the right hon. Leader of the Opposition asked the supplementary I intended to ask.

[*Translation*]

VISIT TO QUEBEC CITY BY BELGIAN PRINCE

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs.

Further to statements and rumours of all kinds, is the minister in a position to advise the house whether Prince Albert de Liège, accompanied by his wife, will visit the city of Quebec?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I believe so. The government of the province of Quebec has invited the prince to visit the city of Quebec and we are all very happy that he has accepted to travel to the old capital.

Mr. Caouette: A supplementary question, Mr. Speaker. Has the minister received from the premier of Quebec, Mr. Johnson, some details as to the recognition by Quebec of the status of Mr. Paul Tremblay, Canadian ambassador to Belgium?

Mr. Speaker: Order. I do not think the question is in order.

[*English*]

LABOUR RELATIONS

PRINCE RUPERT, B.C.—REQUEST FOR INQUIRY INTO UNION DISPUTE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Fisheries regarding what is almost a disastrous situation in the fishing industry at Prince Rupert, British Columbia. Is the minister or the government in a position to establish an inquiry into the problems in the fishing industry of Prince Rupert, which are seriously interfering with the fishery and preventing the fishermen from engaging in the halibut fishery which opened a few days ago?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I fully share with the hon. member his concern about this serious problem involving a dispute between two unions on the British Columbia coast and affecting the halibut fishery. I have received a number of telegrams regarding this situation. I also contacted the minister of labour of that province in this connection. Although I have been advised that it is only the provincial government which has legal jurisdiction in the matter, I am prepared to consider any useful assistance which my department might render in an effort to settle the dispute if such assistance is requested by the provincial minister of labour.

Mr. Howard: I have a supplementary question, Mr. Speaker. Because of the seriousness of the matter, and knowing of the minister's undoubted interest in it, as well as the fact that I understand the representations to the

provincial government were made some time ago, would the minister mind once again taking the initiative in contacting the provincial government to solicit their interest and support, in this question?

Mr. Robichaud: I will give consideration to that request.

INDIAN AFFAIRS

INQUIRY AS TO LEGISLATION RESPECTING CLAIMS COMMISSION

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. Can the minister give the house any idea when the Indian claims commission which was promised several years ago will be set up?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am committed to one section of the Indian population, namely that in the province of British Columbia, to postpone introduction of such a bill pending their having an opportunity to get together to discuss with us the so-called British Columbia land question. I have told them we cannot wait indefinitely. I understand at the present time they are trying to get together a representative organization which can meet with us.

LABOUR CONDITIONS

REQUEST FOR MATERNITY PROTECTION FOR FEMALE WORKERS

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, just before the prorogation of the last session I asked the Minister of Labour, in view of the findings of the women's bureau of the Department of Labour that women workers in Canada lack maternity protection—and I do not refer to the pill—whether the government would take the necessary steps to secure this protection for women workers under federal jurisdiction. The minister was kind enough to say he would take the question as notice. Has he been able to look into this situation?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I should like to give a short progress report to the hon. lady, but that is as far as I can go at this time. There have been discussions with the provinces regarding the I.L.O. conventions which are involved. I regret that I cannot give more than this very limited progress report at this time.

FISHERIES

MARITIME PROVINCES—REQUEST FOR EXTENSION OF SEASON FOLLOWING LATE OPENING

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is directed to the Minister of Fisheries and relates to the very unusual and serious ice situation in district 7B. I am wondering whether the minister or his department will give consideration to the introduction of a special fall fishing season this year because of the late date on which fishermen will be able to begin in this area this year. This is a question of some urgency, because the fishermen are now wondering whether there will be any season this year during which they can fish.

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, no decision can be made until after the spring season is completed. I realize that the date of the opening, which has now been fixed for May 16, is very late. However, toward the end of the lobster season in the last week of June we will be in a position to reassess the situation and decide what action it would be desirable to take in this regard.

Mr. MacDonald (Prince): I have a supplementary question. Can the minister give us some assurance that it will be possible to open the season next Monday as he suggested a moment ago?

Mr. Robichaud: No, Mr. Speaker, because this depends on the ice conditions.

Mr. H. Russell MacEwan (Pictou): I have a further supplementary question, Mr. Speaker. When the minister is making a decision as to whether there should be a fall fishing season in district 7B will he have his officials check all parts of that district before reaching that decision?

Mr. Robichaud: We always do so, Mr. Speaker.

[*Later:*]

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I have a related question to direct to the Minister of Fisheries. I wonder whether, in light of the very serious situation that is developing on the eastern and southwestern

shores of Nova Scotia, the minister would approach his colleagues and ascertain whether there is any possibility of easing the net fishing regulations so as to offset the very extensive damage to the lobster fishery in those two areas.

Mr. Robichaud: Mr. Speaker, I am sure the hon. member understands that we also have the responsibility of protecting the salmon fishery, which is sometimes affected by the use of certain types of net for fishing cod. In this connection I am aware of the situation and have asked officials of my department to report immediately, and if we could ensure that the salmon fishery would not be affected we would be prepared to ease the present regulations.

[*Translation*]

HOUSING

REQUEST FOR EXTENSION OF DIRECT LOANS TO BUILDERS

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Minister of Labour concerning the announcement he made on January 30, 1967, when he said that loans were to be granted to contractors for the building of 20,000 houses.

In view of the strong demand under this program, would the minister tell us whether he would agree to raise the quota announced on January 30 last?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, when it was announced earlier this year that the government would direct C.M.H.C. to make 20,000 direct loans to builders without pre-sale guarantees, it was explained that this was intended to get a spring house building program under way with a minimum of delay. It was also intimated at the time that consideration might be given to increasing the number of direct loans available without pre-sale guarantees later in the year. Yesterday I indicated I would be making a statement in this house within the next day or two. In the meantime I can only tell the hon. member that the chances of increasing the number of direct loans at this time are not great. I am happy to say that such action may not be necessary for the present at least.

[*Translation*]

Mr. Laprise: A supplementary question, Mr. Speaker.

[Mr. Forrestall.]

On April 20 last, the minister stated that the program he had announced on January 30 would not in any way reduce direct loans.

Could the minister tell us why the corporation refused recently four loans in the town of Amos?

Mr. Speaker: That is an argument. The question is not in order at this time.

[*English*]

EXTERNAL AFFAIRS

GREECE—REPRESENTATIONS AS TO RESTORATION OF CONSTITUTIONAL RIGHTS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the right hon. Prime Minister. Has he had an opportunity yet to investigate my question of yesterday regarding the Greek situation, and Canada's annual grant to the Greek army through the NATO defence assistance program?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have asked for the facts in respect of this matter. I have not received them yet, but I hope to be able to answer the question tomorrow or the next day.

[*Translation*]

FORMATION OF ASSOCIATION OF FRENCH SPEAKING PARLIAMENTS

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to direct my question to the hon. Secretary of State for External Affairs. It concerns the creation of an international association of French-speaking parliaments.

Has the central government invited the Quebec government to send representatives?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I think that in such a matter, and in order to achieve what we have in mind, we must have the co-operation of all sections of the French-speaking world, of sovereign countries and sections of sovereign countries.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, a supplementary question. Precisely to get delegates from all the French-speaking sections of the world, could the hon. Secretary of State for External Affairs suggest to the heads of that international association of parliamentarians coming from French-speaking countries that Quebec should be authorized to send representatives of the Quebec parliament?

[*English*]

INDUSTRY

SHOES—REPORTED REDUCTION IN PRODUCTION BECAUSE OF INCREASED IMPORTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of National Revenue. Is it a fact that the Shoe Manufacturers' Association of Canada has made representations to the government to the effect that their production last year decreased by 2,750,000 pairs of shoes and 3,000 workers are out of work because of importations from low cost countries—

Mr. Speaker: Order, please. The right hon. gentleman should ask the question directly without supporting it by a statement as he is now doing.

Mr. Diefenbaker: Mr. Speaker, I have sometimes found it necessary to give the government information.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I understand these people have asked that some effective action be taken. If representations of that kind have been made, has any action been taken?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, because my right hon. friend has indicated a number of facts in his question which may not have very much relevance to the question, I should like to take the question as notice. We are conscious of the problem of the shoe manufacturers, but I should like to make sure that representations have been made and what our response was to those representations.

Mr. Diefenbaker: May I ask a supplementary question, Mr. Speaker. Were not the representations made to the minister?

Mr. Benson: I believe I received a copy of the representations but they were made, as they should have been, to the Minister of Finance who is in charge of tariff policy in this country.

NATIONAL SECURITY

ASSISTANCE TO CANADIAN GROUPS FROM U.S. INTELLIGENCE AGENCY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the

Solicitor General. This question has nothing to do with fishing. Has the minister been informed of the organizations, groups or persons in Canada who have received financial assistance directly or indirectly from the Central Intelligence Agency of the United States?

Mr. Speaker: Order, please. This would be a good question for the order paper.

NATIONAL DEFENCE

TELEVISION BROADCAST SHOWING EQUIPMENT AND TRAINING OF ARMED FORCES

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Defence concerning a program last night at 10.30 on C.B.C.-T.V. showing the equipment and training of the armed forces. Did the minister authorize the preparation of this film and approve of the distorted and inaccurate statements of the commentator?

Mr. Speaker: Order, please.

Mr. Churchill: Mr. Speaker, how do I get information as to who authorized the showing of an inaccurate film? Is the minister not responsible?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I am not the minister through whom the C.B.C. reports to parliament.

Mr. Starr: Who reports to you?

Mr. Churchill: I have a supplementary question, then. Does the minister not give authorization to people who wish to take photographs and film strips of the equipment and training of the armed services?

Mr. Speaker: Order, please. This question is argumentative.

Mr. Churchill: Then I have another supplementary question. This is a search for information, Mr. Speaker. Can I not ask who on the government side gives authority for films of that nature to be made? Is that not a fair question, sir?

Mr. Speaker: I am not sure whether it is a fair question, but it is not one that can be asked at this time.

Mr. Churchill: On a point of order, Mr. Speaker. May I respectfully ask you when that question may be asked?

Mr. Speaker: That particular question cannot be answered by the Speaker.

Inquiries of the Ministry

BUSINESS OF THE HOUSE

CONSIDERATION OF DIVORCE REFORM AND CAPITAL PUNISHMENT

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I notice that the house leader is not present today, so perhaps my question can appropriately be addressed to the right hon. Prime Minister. It has to do with the forecast of legislation dealing with reform of the divorce laws and of the Criminal Code with respect to capital punishment. The question is as follows. In view of the successful and purposeful obscurity in the speech from the throne on this particular point, can the Prime Minister tell us whether these measures will be discussed and decided so far as the government is concerned free of the pressure of the party whip, or whether they are to be regarded as questions involving confidence in the government?

Right Hon. L. B. Pearson (Prime Minister): It is a matter for consideration, Mr. Speaker, and that consideration, in respect of one of these matters, and perhaps in respect of both, should be reserved until we receive the reports of the parliamentary committees which are dealing with these matters.

Mr. Fulton: On a supplementary question, Mr. Speaker, would the Prime Minister inform the house what parliamentary committee is dealing with the question of capital punishment?

Mr. Pearson: I must have misunderstood my hon. friend. I did not know he had mentioned capital punishment. I was thinking of divorce and the amendment of the Criminal Code, both of which will be before committees very shortly.

So far as capital punishment is concerned, it will be decided by the government how and when to introduce it and, as I have already stated, I think there will be a completely free vote on it in the sense that every hon. member, particularly on this side, will vote according to his conscience, irrespective of the manner in which it is introduced.

AIR TRANSPORT

REQUEST FOR BAN ON USE OF HIGHLY INFLAMMABLE FUEL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder whether the Minister of Transport is now in a position to answer the question I asked him on Friday, April 21. The question was as follows:

In view of the request of the International Transport Workers Federation that jet airliners be prohibited from using JP4 because of the high inflammability of this fuel, is the minister considering taking steps to ban the use of this fuel by Canadian air lines?

Hon. J. W. Pickersgill (Minister of Transport): No, sir, because it is felt that the information, or perhaps I should say the opinion, contained in the hon. gentleman's question is not supported by such scientific evidence as is available.

Mr. Knowles: Ten o'clock, Mr. Speaker.

INCOME TAX

REQUEST FOR EXEMPTION FOR DONATIONS TO TORNADO FUND

On the orders of the day:

Hon. J. W. Monteith (Perth): I should like to ask a question of the Minister of National Revenue. Has he received an application for income tax exemption for donations to the Huron-Perth tornado fund, and if so has such exemption been granted?

Mr. Speaker: Order. This question should be placed on the order paper.

NATIONAL PARKS

REQUEST FOR JUDICIAL DECISION ON PERPETUAL LEASES

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): I would like to direct a question to the Minister of Indian Affairs and Northern Development. Before going ahead with the debate on the motion regarding the setting up of a crown corporation to deal with property in the national parks of Canada, would the minister consider referring the legal aspect of this matter to the Supreme Court of Canada? I placed this question on the order paper last session but it was not answered.

An hon. Member: No answer.

Mr. Woolliams: Mr. Speaker, I rise on a point of order. I placed my question on the order paper at Your Honour's direction, asking whether the matter of perpetual renewal leases would be referred to the Supreme Court of Canada. The answer I received on May 8, 1967 was that the perpetual leases

were not legal. However, before the parliamentary committee in Banff the deputy minister, on the advice of his legal officers, expressed the opinion that these perpetual leases were legal. Therefore there is misrepresentation on the part of the minister.

Mr. Speaker: That is a point of debate, not a point of order.

Mr. Woolliams: On a further point of order, Mr. Speaker—

Mr. Speaker: I am sure the hon. member knows that to insist on an answer is not a point of order. He has the right to ask a question, but the minister has the right not to answer it.

Mr. Woolliams: On a point of privilege, Mr. Speaker, I feel I have the right to ask the question but the minister has the duty to give the proper answer and not to misrepresent the facts in this House of Commons.

Mr. Speaker: Order, please. It is not a question of privilege to disagree with an answer given by a minister.

Mr. Woolliams: May I speak further on the point, Mr. Speaker?

Mr. Speaker: Order, please. There is no question of privilege, unless the hon. member has a different one.

Mr. Woolliams: Your Honour did not hear me very well so far as the point of privilege is concerned. The minister has misrepresented the facts. This is why he will not answer my question.

Mr. Speaker: Order, please. The hon. member can say that the facts have been misrepresented. He cannot say, and I am sure he does not want to say, that they have been knowingly misrepresented. I suggest to the hon. member that there is neither a point of order nor a question of privilege which the Chair can accept at this point.

Mr. Woolliams: It is obvious the minister is convicted by his silence.

[*Translation*]

EXPO '67

INQUIRY AS TO PRIORITY GRANTED TO ROYAL ANTHEM

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the Prime Minister who attended as I did myself, the official opening of Expo '67 on April 27 last.

I should like to ask him why the army band played, on three occasions, the national anthem of Great Britain before our official national anthem "O Canada"?

Mr. Speaker: Order. The question is out of order. The hon. member can place his question on the order paper, but under the circumstances, it is out of order.

Mr. Grégoire: Mr. Speaker, I rise on a point of order. I think Canadians were somewhat disturbed to hear the national anthem of another country played at the world exhibition.

Since there are regularly official manifestations at that place, I should like to know why the anthem of another country is played instead of ours?

Mr. Speaker: The hon. member may also put this second question on the order paper.

Mr. Grégoire: At ten o'clock tonight for the show.

[*English*]

THE CANADIAN ECONOMY

STEPS TO MEET INCREASE IN COST OF LIVING

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the report issued by the Dominion Bureau of Statistics this morning showing an unprecedented rise in the cost of living in Canada during the last month, is the minister planning any emergency measures to prevent a further drastic rise in the cost of living?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I looked into the reasons for the increase in the cost of living, and was informed that two of the most important reasons were the increase in the sales tax in Quebec and the increase in doctors' fees in Ontario. There are other factors involved also, but those were the two main reasons for the rather remarkable rise.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a supplementary question to the Minister of Finance.

As he has just mentioned, the sales tax has brought about an increase in the cost of living in Canada, the Quebec sales tax and medical costs in Ontario, but have the tax increases of the present Minister of Finance not equally contributed to raise the cost of living in Canada?

Inquiries of the Ministry

Mr. Speaker: Order. This is an argument rather than a question.

VOCATIONAL AND TECHNICAL TRAINING

INQUIRY AS TO ASSISTANCE TO HANDICAPPED

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, following requests from the employment office coming under the manpower centre, I put this question to the minister concerned.

Could the Minister of Manpower and Immigration tell us whether the adult occupational training program provides for special assistance for the handicapped, as was the case in the past under program 6?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, our present program for the handicapped is being continued, providing there is an agreement with the province.

Mr. Réal Caouette (Villeneuve): A supplementary question, Mr. Speaker.

Can the minister of manpower tell us whether handicapped persons in Canada will be retrained?

[*English*]

POST OFFICE DEPARTMENT

LANGUAGE USED ON OPEN POSTCARDS TO MEMBERS OF PARLIAMENT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I address a question to the Postmaster General. In so doing may I follow the lead of my seatmate, the hon. member for Kootenay West, by saying this is a most urgent and serious matter of great importance to all hon. members. May I ask the Postmaster General whether he read, agreed with and endorsed the written statement, which I now have seen, issued by the director of postal rates and classification concerning the open postcards being sent to members of the House of Commons containing such phrases as "Anglo-Saxon chauvinism; the enforcer R.C.M.P.; the intimidator, Ontario provincial police; the Bible thumping hypocrite; the Jew Fascist; the black Uncle Tom, and that other whoreson, the pseudo-reformist representative". Here I quote the director of postal rates:

—while the writings might be somewhat abusive, they are not considered objectionable—

May I ask whether the minister agreed that they were abusive but not objectionable? Did he authorize that statement?

Mr. Speaker: Order, please.

[Mr. Caouette.]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, May 9, consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, we have now embarked on the centennial session of parliament. My first words must be to express agreement with the eloquent words and expressions of the hon. member for Burin-Burgeo (Mr. Jamieson). His speech was one of those that make parliament the institution it is. I congratulate him, as well as the seconder (Mr. Côté, Nicolet-Yamaska), for the power and eloquence which each of them displayed. To the hon. member for Burin-Burgeo I would say that through the years I have followed him and listened to him but not with the same degree of agreement that I did yesterday. However, the manner in which he spoke to this house when he moved the address in reply leads one to believe that if perchance the Prime Minister (Mr. Pearson) decides that the minister reporting to parliament for the Canadian Broadcasting Corporation should be one who understands it, then the hon. member would be able to accept the position without having the high ambition to occupy the presidency of the C.B.C. which apparently is the privilege of another.

So far as the seconder is concerned, his speech was not his first in the house. He dealt at length with the agricultural situation. As an experienced farmer, he spoke for himself alone when he said how happy the farmers are. Indeed, if he ever delivers such a speech on May 24 when the farmers gather in Ottawa the reception he received yesterday will be nothing compared with that which he will receive from them.

I join too in the expression of all good wishes to the new Governor General and to his wife. He was a House of Commons man. In the intervening years he has had experience in diplomatic affairs. We know that he will discharge his duties in a manner worthy of the traditions and greatness of his office.

I should like also to mention that I was somewhat surprised that in the session to celebrate our centennial we should have produced to us a throne speech containing many words and much repetition. Canadians in future generations, as those of today, will look

on that speech as one that contains very little vision and inspiration. As I listened to the hon. member who moved the address it occurred to me that the house may yet expect an even greater speech when, some time in the future, he speaks on a subject more productive of inspiration than the document which is before us. If he could be stirred by that document, what would he do when there was one with some material in it?

I wish to begin by speaking of my country, the country of which all of us are proud to be members. It is not a time for effusive oratory but a time when we, as Canadians, look back over 100 years of our confederation and from a knowledge of the past secure a vision of Canada's future. Canada is a land of opportunity, a land which, beginning with two basic races, has welcomed people from all parts of the world with their cultures and their beliefs. One thinks too of the dramatic history of this nation, of the first hunter, the first human being seeking game, who crossed the Bering isthmus. One thinks of the Vikings, those mighty men of valour, who ventured forth into the uncertainties of the sea and came back to report to their homeland of this land beyond the sea. We think of the navigators and explorers, the priests and the peasants, the traders and the millions that have come to this land for freedom. It is a story to inspire. Too often Canadians are afraid to speak out.

• (3:20 p.m.)

One of the great and powerful instruments that has contributed to making the United States great is the knowledge of history by its citizens from school age up. They have an appreciation of the past and a unity based on the achievements of the present.

We are all deeply proud to be called Canadians. We hope that we shall never falter when principles are at stake and that we shall never falter in the face of false pretence.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I do not often refer to words I have used on other occasions but I shall refer to something I said in 1960. From earliest days I looked forward to the time when I might contribute to bringing about within this nation a Canadianism that would know no discrimination and in which colour, race, religion and those things that separate us sometimes would not be regarded as disqualifications for Canadian citizenship. I summed up those views in these words:

> I am a Canadian, a free Canadian, free to speak without fear, free to worship God in my own way, free to stand for what I think right, free to oppose what I believe wrong, free to choose those who shall govern my country. This heritage of freedom I pledge to uphold for myself and all mankind.

That, sir, during the years has been my purpose and objective. When some look at the other side of the house and wonder whether there is anything in public life, my answer is that monetary satisfaction cannot equal that which comes to those who endeavour to do what they can do for their country, in peace and war.

Before I deal with the speech from the throne I shall refer to some of the events of the years. They will show something of the history of this country and its background, something of the speeches made at the time of confederation and prior thereto, something of the general sentiment held by Lord Dorchester, Richard Uniacke, Chief Justice Sewell, Bishop Strachan, Brenton Haliburton, William Lyon Mackenzie, who had the idea of confederation before he became a rebel, Alexander Morris, today often forgotten, a strongly prophetic and compelling advocate of confederation for Canada and the man who first uttered by motion a resolution in favour of confederation, and Alexander Galt. I also think of Cartier, one of the first in French Canada to support confederation, despite the fact that he had been with Papineau in 1837.

George Brown joined with them at a historically critical moment, acting in a manner that permitted others to push ahead with the great design. And, of course, there is Sir John A. Macdonald, the indispensable, without whom confederation would never have been possible.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: No one denies him the title of the great architect of Canadian confederation, except in some of the literature put out by the Centennial Commission. To those who share the view expounded in that literature I recommend the words of Laurier. This is not a centennial for Liberals alone. This is a centennial for all Canadians. This is not a centennial to rewrite history.

Mr. Hellyer: Hear, hear.

Mr. Diefenbaker: This is not a centennial where any leaders of the nation may say to any member of the Centennial Commission, "Forget about the Tories of confederation; let us think about the present." This is Canada's centennial. I am sorry to have to say this, but often one wonders these days whether the

centennial celebrations are not becoming the monopoly of the party in power.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: We see that happening everywhere. One of the most interesting examples is Expo. That is now embraced as a Liberal project. We brought it in, we fixed the site, and they finished the work because they won the election. All that we did is now forgotten as the present government apparently concludes that the centenary is a time for national partisan celebration.

Some hon. Members: Shame.

Mr. Diefenbaker: In the centennial document I have it is set out that George Brown brought in Macdonald and his Tories and that this finally resulted in confederation. For those of another view I recommend the words of that peerless parliamentarian, that orator among orators, Sir Wilfrid Laurier, who said:

—the place of Sir John Macdonald in this country was so large and so absorbing, that it is almost impossible to conceive that the political life of this country, the fate of this country, can continue without him—

I think it can be asserted that for the supreme art of governing men, Sir John Macdonald was gifted as few men in any land or in any age were gifted; gifted with the most high of all qualities, qualities which would have made him famous wherever exercised—

Then he goes on to say that no one can deny Sir John Macdonald a position above all others among the makers of this nation. I find it necessary to refer to these words because the Centennial Commission has begun to rewrite history in 1967.

Then we come to the debates, and it is well to read those debates. I suggest that hon. members read the speeches of Macdonald, Cartier, Brown and D'Arcy McGee, made in 1865. Those men knew what confederation was. One thinks of Cartier when one hears of the doctrine of two nations in Canada. That doctrine was swept aside by Cartier 102 years ago. He said it was a preposterous notion. He went on to say this:

• (3:30 p.m.)

It is pretended it will be impossible to carry out confederation on account of differences of race and religion. Those who hold that opinion are in error. It is precisely on account of the differences in race and local interests that the federal system should be established and that it will work well.

We have often read in the newspapers that it is a great evil to have such different races, such a distinction between French Canadians and English Canadians.

[Mr. Diefenbaker.]

He goes on:

We shall form a political nationality—

Not a dual nationality.

—with which neither the national origin nor the religion of any individual will interfere.

Today we should reread what the fathers of confederation said. When they finally concluded their deliberations they celebrated the event. A few days ago there was a celebration in the city of New York. The press of Canada wrote it up. I should like to read a description of another event.

A few days after the close of the circus—

That is the way the meeting of the fathers of confederation was described.

—a great public ball and supper is announced; the evening of the day arrives; the proud and the gay, arrayed in fashion's gauds, flock to the scene where revelry presides . . . Pleasure, panoplied in smiles, meets and embraces joy—the fascinating dance goes merrily, and the waltz with its entwinements, etc.

It is the story of a great revel. In those days the press wrote like that. It is not a picture of the recent ball in New York. This was the ball given at Province House in Charlottetown at the end of the conference in 1864. Read the story of confederation. Let Canadians know.

What about the centennial train? That too has been appropriated by those sitting opposite. In 1942 I suggested a train to go across Canada to display the cornerstones of our freedom. When we set up the Centennial Commission we stated that first priority should be given to arrangements for a centennial train. This has done a great deal to show Canada to Canadians. But it lacks something. It lacks the inspiration which comes from the greatness of the lives of those of the past. For some reason or another Sitting Bull was made the representative of the great Indians of Canada until the train arrived at Calgary, when Sitting Bull sat. They put an end to that. What about Tecumseh and Piapot and Mistawassis, those great Canadian chiefs? They were forgotten on this train while an American was named as a great Canadian.

The Queen had no place on this train until I raised the question and the Queen's picture went in. No Canadian entering that train will ever see the Queen's picture unless he walks backward. When we complained to the Centennial Commission the answer over the telephone was: "This is a Canadian train".

Let us catch something of the inspiration of this nation's past. Let us not forever chisel away at our traditions. There has taken place

in this country in the last four years a denigration of the principle of monarchy. Tradition is removed from our armed services. "Royal" disappears. They reveal this government's course.

I hope something will be done this year to give young Canadians a knowledge of their country. Many Canadians ask: "Why should I worry about history?" Mr. Speaker, "he who does not history know, does not know his country".

Let us build in this nation this year something of that inspiration which I had hoped to secure on reading the speech from the throne. Let it not be said that such sentiments cannot be embedded in the speech from the throne, that they are too general for inclusion. If ever a speech from the throne was packed full of generalities it is this one. It is a serious matter to put into the mouth of the new Governor General 45 minutes of words constituting in large measure a repetition of what has been said in the past containing nothing to inspire or lift up the heart. There is nothing which will ever be quoted except in this debate. Instead of this speech from the throne being a prospectus for Canada it is a record of unfulfilled promises. Those who have responsibility for drafting these speeches have been working on it for a long while. They have produced a pale, colourless creation, vague and uncertain. It contains 29 different items or promises of expected legislation, only three of which are new, and nothing at all regarding the constitution in this year of 1967 except "we are looking into it".

Well, Mr. Speaker, there used to be governments called "Breeches governments"—foolish governments—in the United Kingdom. We have never before had a government which qualified to be called the "we-are-looking-into-it" government. Now we have. On April 21 we heard an embryo speech from the throne by the Prime Minister (Mr. Pearson). We shall have another today, no doubt—a new compendium of broken promises and unrealized aspirations offering to the Canadian people the pretence of action.

• (3:40 p.m.)

I am going to review the recommendations in very short order. They include a department of consumer affairs, long-term loans to a agriculture and fishing co-operatives, and a crown corporation to run the Nova Scotia coal mines, something that the members from Cape Breton on our side of the house have been trying to bring about for a long while. So far as agriculture is concerned it is a wonder that the seconder of the address in reply said everything is well. All that is going to be done for the farmer, with prices falling and the cost of the things he has to purchase rising, is a task force for agriculture, as if agriculture is not in enough difficulties now.

There is nothing in the speech from the throne to premise incentives for free enterprise and there is no hope of tax reductions. The government would not set out tax reductions at this time but it could give an idea of what it is going to do on behalf of tax-ridden Canadians.

What do they promise? I have referred to the B.N.A. Act. Then they are going to extend the designated area program, amend unemployment insurance provisions, and bring in a white paper on investment. This is an example of the government's "Gordon syndrome." Every time he does anything he gets them into trouble. They cannot live with him, they cannot live without him. They are going to have him as chairman of a committee to decide whether foreign investment is any good. Well, Mr. Speaker, we know he is free from bias in that connection. That is the reason he was chosen as chairman of the committee.

There is another victory over the Minister of Finance (Mr. Sharp) and those of the right in the Canada Development Corporation. That hoary chestnut has been dug up for the third or fourth time; this is resurrection in triplicate.

Sir, the speech from the throne is an amazing document. There are going to be amendments to the Indian Act but we do not know what they are going to be. We gave the Indians the vote when we were in office. The hon. member for Yukon (Mr. Nielsen) brought in a bill for votes for Eskimos and we supported it.

There is something amazing about international affairs. Here is a government full of international experts. Yet what do they produce in respect of Viet Nam? The government, knowing that the United Nations turned down the proposal of Canada and associated nations for the setting up of a peace force, under the United Nations, now proposes an international presence. General Allard says that our forces are going to be made over as an international force. There is nothing in the speech from the throne to let the Canadian people know that without NATO freedom cannot survive.

There is to be a complete revision of the Immigration Act. This has come back for the

second or third time. It is only a few months since the government brought in changes through the medium of a white paper. This was revised when it became evident, as we pointed out, that they discriminated against sponsored immigrants. Now there are to be further revisions.

Urban development is also resurrected. I can just see the members of the cabinet saying to each other, "What did we ever say that we did not carry out? Let us put down our broken promises in order." There are to be new housing programs. Canada is in the worst housing mess it has ever been in. Nothing would be more beneficial than the removal of the sales tax on building materials. But the government will not do that.

It has also produced a rephrased vision of the north. Members of the government now recognize Canada's northland which they once ridiculed. Now they want to do something about it.

They brought capital punishment and divorce together in the one line. One ends trouble and the other begins it.

Miss LaMarsh: Which is which?

Mr. Diefenbaker: But they left out the other corner of the Prime Minister's social trilogy, the abortion promise. They left that out.

Mr. Pearson: We are leaving that to the opposition.

Mr. Diefenbaker: The government's proposal respecting financial disclosure by corporations gives lip service to the principle of protecting the investor. They say they are going to revise safety standards. They forgot to put in the code of ethics. This, Mr. Speaker, is a cursory summary of what they say they are going to do.

It is said, Mr. Speaker, that parliament is not effective. It is just because of this kind of thing that it is not effective—a government that produces a speech from the throne full of generalities and replays its record of broken promises. One of the most effective portions of the speech by the hon. member who moved the address in reply came when he spoke of parliament. He said that he came in here believing that this institution measured up to the criticism of those who have never seen parliament.

Recently I talked to one of the outstanding Canadians of our time and he told me parliament was deficient and ineffective. I asked him, "How many times have you seen parliament in action?" He replied, "I have read about it." Parliament is always criticized. It is criticized in Britain today. It is criticized in Australia and in New Zealand but somehow or other the critics in all generations find that what they criticize is the effective embodiment and protection of freedom.

Parliament is not a sausage machine to grind out legislation. Parliament is a place in which the freedom of the individual is preserved. That is its first purpose.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Parliament is not a place that is to be efficient. That is the civil service idea, that all that is necessary is for a bill to be introduced, a crank to be turned by the government and out will come an act of parliament. That is not the concept that has made for the greatness of this place in the British tradition.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I know that those in the press gallery will not agree but I say to some of them who criticize parliament, as the Minister of National Defence (Mr. Hellyer) said a few months ago, those who have the responsibility of communicating what happens in parliament to the public are not reporting what takes place here in a way that enables Canadians to weigh the issues. What is happening is that less and less space is available for factual reporting.

They complain about attendance in the House of Commons. Mr. Speaker, there is too much absenteeism. There is no doubt about that. I am not one of those who have insisted on a roll call but there is a roll call in the Senate and also in the Congress of the United States. But I do say that we members of the House of Commons cannot justify our absences unless we are on some business connected with constituencies or the responsibilities of office or the responsibilities of those who lead parties.

• (3:50 p.m.)

Then there is the idea that one can understand parliament by going upstairs and staying out of the house. I have heard that mentioned all through the years. The hon. member for Burin-Burgeo has been in the house. He has listened; he has caught something of the spirit of the house. He could not have got this by being absent from the house. We will not reform parliament until we have an attendance here which is not like that of the past few years. I know some of my colleagues will not like this. This has never been

a factor to impel me not to face facts. As members we need the determination to be here. We could do more for parliament provided the press, radio and television would report something concerning what is said by every member. When a backbencher gets up and makes a carefully prepared speech he does not even receive honourable mention. We will never build parliament in that way.

I notice that the new house leader has come up with a new idea. He says that he is not receiving enough advertising. In the Ottawa *Journal* of May 6, 1967 the following appeared under the heading, "Orders Surgery on Health Dept. Image."

> Health Minister MacEachen has directed his department to adopt "a radical new public relations approach" to improve its present "poor image".

It does not say whether that is the minister or the department. He goes on to say that from now on he does not want the public relations men to inform the public of the programs but that what is needed is information.

That, above everything else, is what I suggest parliament needs today. Friends of mine have sat in the gallery and when it was all over they said to me, after they read the press account the next day, they could not recognize the parliament they saw. The number one project for this year is that parliament should project itself. Many changes in the rules are necessary to enable us continually and more effectively to discharge our responsibilities. These changes, however, should be made by agreement, not compulsion by the government as a matter of parliamentary expediency. The house would solve a great deal of absenteeism if some part of the proceedings were televised. It would not be very long before constituents in all parts of Canada would be pointing out that they could not find their member. The impelling result of this publicity upon all of us in public life would be amazing.

As I said, Mr. Speaker, there was very little in the speech from the throne. What are some of the things which should have been and are not in the speech from the throne? First, there should have been a declaration that parliament will put a stop to the removal of our traditions. Let us end this race to remove those things which made possible our sitting here. Had it not been for successive British governments Canadians would have had no rights. The argument advanced at the time of confederation was that unless we confederated and stood together the rights of language and religion would be lost—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —if we became a part of the United States.

I ask the Prime Minister, what has happened to the war on poverty? Certainly a cease-fire has taken place. It may well be that the war is over. We have been told nothing at all about that. Why is there no reference, except in a general way, to broadening economic expansion? Why is there no reference to what parliament will be asked to do in the event that the Kennedy round of negotiations collapses—and I hope it will not. They have been talking for four years and now the various countries face and impasse.

What is the government of Canada going to do provided the United Kingdom does what it believes is best for the United Kingdom and joins the European common market? What will happen to our agricultural market? I read the other day that the prime minister of the United Kingdom said that so far as possible the United Kingdom intends to preserve and protect those preferences. What has the government of Canada, aside from silence, done in the face of a situation which, if the United Kingdom enters the European common market without some qualification, will have a detrimental effect not only on agriculture but also on our aluminum industry and several other industries? Why was there no mention of that?

Why is there only a generality about confederation? In the last four years we have seen this government go through all kinds of transformations. To start with we had "two nations' and the "opting out" provision. Then we had one pension law for the rest of Canada and one for the province of Quebec. If the "two-nation" proposition was a good one when it was enunciated by the Prime Minister in April of 1963, then the idea that any province can enter into treaties is a tenable one. Why was nothing said about that in the speech from the throne?

When we convened a conference on February 4, 1963, to discuss Canadian confederation we did it on the basis of the words of Sir John Macdonald when in his seventy fifth year he said in the House of Commons:

> I have no accord with the desire expressed in some quarters that, by any mode whatever, there should be an attempt made to oppress the one language or to render it inferior to the other. I believe that would be impossible if it were tried, and it would be foolish and wicked if it were possible.

That has been the stand of the Conservative party ever since 1890.

Confederation was achieved by a partnership of English speaking and French speaking men who believed that the destiny of the north half of this continent might be achieved in unity but not through uniformity. We have done well. Changes, however, must be made in the light of changing conditions. I opposed the setting up of the commission on biculturalism. I said it would not work. To this day they have spent $7½ million and have divided this country as it never has been divided before.

Some hon. Members: Hear, hear.

• (4:00 p.m.)

Mr. Diefenbaker: It would be easy to get votes to support that proposition. I thought it was wrong and my colleagues agreed. We wanted to bring the provinces together in what my friend the hon. member for Ontario (Mr. Starr) calls in his own way a "family gathering". We wanted a meeting for the purpose of restating the goals of Canadian confederation, a gathering designed to correct any injustices that have taken place during the past hundred years, a gathering of Canadians to round out and restate these goals for the second century, not for the purpose of splitting this nation. We were defeated. We sent out invitations but no meeting has been called.

In the light of our experience during the past four and a half years we believe that what we asserted as being necessary in 1963 has been proven so and that it is time now for action rather than this pusillanimous, diplomatic approach that somebody somewhere is looking into this matter who will finally come up with something so that we will be in a position to call together some kind of a meeting.

There is not a word in the speech about crime. I do not intend to fill the record with statements of recent days about the Mafia but there is no doubt that there has been and is today a continuing disregard of the law by persons responsible for this situation. There are people who believe that by simply convening a gathering and endeavouring to bring pressure on the government they can destroy the rule of law. The time has come to do something in connection with the crime explosion.

We were criticized when we suggested a link between arson and bankruptcies. This is now accepted and there are today over 200 investigations taking place. We believe that the crime situation must be faced by this nation; otherwise everything we hold dear will be eroded. I suggest a royal commission to look into the whole picture of crime and its expansion. That commission should report within a period not exceeding six months. The records show there is increasing crime in the United States and the United Kingdom. They are trying to do something. Because of divided jurisdiction within our country this problem is not being faced on a national level.

What about a national transportation policy in order to make available greater facilities and shorter routes? I will go into that in detail on another occasion, but there is nothing in this speech except generalities.

Let me now turn to a matter which was dealt with by the mover of this motion, and that is the Canadian Broadcasting Corporation. No one in this house is more qualified than the hon. member for Burin-Burgeo. He knows about the problems. What did he warn us of yesterday? He warned us of the danger to Canadian thinking resulting from a mass application of propaganda through the medium of radio and television.

Last night one of the reporters for the C.B.C. told about conditions in North Vietnam, confirming what Mr. Clark, the assistant editor of the Montreal *Star*, had stated. No matter what is done the seeds have been sown by that broadcast and that article in the minds of the Canadian people to the effect that we in Canada are a variety of high class international double-crossers. That is what it amounts to. We are accused of using our neutral position as a member of the international control commission to help the United States. That is a very serious matter and I hope action will be taken to look into it.

To be perfectly frank, is there any hon. member who can deny that more and more the C.B.C. is not giving the people of this nation a reasonably equal presentation of the viewpoints? There is great conflict within the news operations of the C.B.C. There are charges of power grabbing. Serious infighting is taking place in this government organization because of the lack of leadership. In this regard the government is responsible because of its failure to appoint a man in charge and a vice president. Everybody is boss now and those who should be running the organization have abdicated their authority.

The C.B.C. is not a plaything. It will spend $150 million of the Canadian taxpayers' money this year. There are reports that the Secretary of State (Miss LaMarsh) offered to take the job of running this organization but apparently there were no takers. Operating costs for this year have increased by $29 million; yet my information is that the C.B.C. is at least 16 to 20 months behind in its routine bookkeeping and accounts. Money is being wasted on every hand. The organization sent a crew to Uruguay to cover the O.A.S. conference at a cost of $20,000. It set up a West Indies broadcasting service and sent a man from Toronto at $29,000 a year to direct it. This kind of spending cannot continue.

The C.B.C. was set up by Right Hon. R. B. Bennett and his government as an institution to make available Canadian culture for Canadians. It has become an institution engaged in a race with private enterprise to obtain advertising. Chaos now reigns in the C.B.C. What is the government going to do about it?

The director of news and public affairs for the C.B.C. has only very recently been confirmed in his position. The news department is in a state of disintegration and one has only to listen to the news to realize how the quality of news items has deteriorated from even a year ago. Yet the news department spends $4 million a year.

• (4:10 p.m.)

Surely Canadians have a right to expect that the C.B.C. shall preserve a pride in their nation, shall let them know something of our various cultures. I am told that the national television news on the opening day of Expo was half an hour late in its broadcast. Whether this was because of disagreement between Toronto and Montreal, I do not know. But the C.B.C. is leaderless and rudderless today. I asked the question yesterday, and it has not yet been answered, whether an agreement had been entered into with any foreign government, in particular with the U.S.S.R., for the purpose of ascertaining what that agreement was and what the circumstances were. The C.B.C. in 1967, our centennial year, should be made to realize that its purpose is to play its part for Canada and build in this nation a feeling of Canadianism. Canadian culture is dealt with in C.B.C. broadcasting in a very minimal way.

Next I come to the question of educational television. The government decided to bring that in by the back door through an estimate. We stopped that. I feel that it should be under the C.B.C. and there should not be another member of this vast, increasing family of bureaucracy. Indeed, sir, in the last three years the government has become the biggest business in Canada.

Next I deal with a matter about which we will not be told anything today by the Prime Minister—tax reduction. I hope that action will be taken to reduce taxation and cut out wasteful expenditures. I can give particulars of these wasteful expenditures at any time. The implementation of the Glassco report is long overdue. These are matters we should be facing this year. We should be carrying out a re-examination of Canada's fiscal policies and arrangements, keeping in mind the principle that in the interests of confederation the collecting authority should wherever possible be the authority which spends.

There should be the immediate establishment of a national scientific institute to enable Canada to restore prestige in the scientific field, to mobilize scientific effort in industry, universities and government and to achieve a better balance in co-ordinated scientific advancement. Today there is duplication between government and industrial activities. In this technological age we need to move forward in that direction, not by replacing and supplanting the efforts of the National Research Council but by setting up an institute as a co-ordinating and assessing body not engaged in actual experimentation.

In agriculture what is the situation? Talk to the farmers. Despite the eloquence of the hon. member for Nicolet-Yamaska (Mr. Côté), the farmers of this country are up in arms. There must be legislation at this session to ensure a fair deal for agriculture.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: What about relations between labour and industry? The Minister of Labour (Mr. Nicholson) is repeatedly saying that everything is out of date and something should be done. There was nothing in the speech from the throne to meet this problem, one that is exercising the leadership both in the United States and the United Kingdom and one that cannot be indefinitely postponed. Pollution has been mentioned. Over and over again various hon. members have raised the need of a national crusade against pollution in co-operation with the provinces. True enough there is some reference to this matter in the speech from the throne, but a policy must be formulated that will be effective.

This is a matter that could be placed before a committee of the house to go into the problem in detail at this session and thereby assure that this question, which is assuming proportions far and above anything that could have been contemplated a few years ago, will receive attention.

Mention was made in the speech from the throne of some action for Indians and Eskimos. I suggest that the government might set up a department of native affairs having as its deputy head a native Indian of Canada or an Eskimo, and that senior positions on a representative basis be filled by natives wherever possible. These are just a few of the matters that have been left out.

Now I come to a major matter, the question of education. Education falls exclusively within the jurisdiction of the provinces and it must so remain. But surely we are not going to leave Canada in a position behind the other countries of the world in the tremendous impetus that is being given to education. When we were in office, as a result of the efforts of the hon. member for Ontario (Mr. Starr) and my colleagues we were able to bring about a system acceptable to the provinces in the setting up of technical and vocational schools. That is ending now; this government does not want it to survive.

We must face immediately the need of a massive educational assistance plan for both universities and secondary schools. Somebody will say this will cost money. I will not be asking for the expenditure of moneys in respect of matters that are not of vital importance to the nation. What happens in the cities and towns today? The man who owns his home is the one who is paying a major portion of the taxes for education. Too great a load rests there. I would like to see a committee of the house study fully the whole problem of education and then in co-operation with the provinces we would nationally provide assistance while fully respecting and regarding the jurisdiction of the provinces.

• (4:20 p.m.)

I mentioned earlier that we wanted to convene a national confederation constitutional conference. We have tried to get this government to act on it. We have been put off from month to month and from year to year. The constitution is being eroded by private deals. The culmination of this—the fruit of the family tree planted by the Liberal party in the last few years—was the declaration, acceptable to both parties in the legislature of Quebec, on the subject of international relations and the making of treaties. Where are we going? Are we going to be a series of Canadian satrapies with each province entering into international agreements? They may be the popular thing to support but, sir, popularity comes second to the future of this country. Canadian unity cannot be preserved if we continue to chisel away the principles that made confederation possible and which are still the law and constitution of this country.

We suggest that a conference should be convened at once to be attended by federal and provincial representatives as well as representatives of all the political parties. I would like to see representation from all classes and groups in our society, including labour, industry, business, agriculture and so on. This would not be a conference for a day or two but a conference of Canadians for Canada's future.

There is a spirit today in this nation that I have never seen before. There is a willingness to co-operate. I have noticed the change in the years I have been here.

I have noticed a tremendous change in the thinking of Canadians in all the provinces. There is a willingness to try to bring about a rapport that has not existed for many years. When I came first to parliament when anybody spoke French everybody else left because they did not understand it. It was slightly different when somebody spoke English but those who were English speaking often left also. A few years ago, we made this House of Commons bilingual as the constitution provides. It is very interesting today to watch questions being asked in English and answered in French and vice-versa. When we made this house bilingual it was not popular but it is now. There is an attitude among people in all the provinces that if they could only get together and understand what each one wants there might be not too great difficulty in arriving at arrangements acceptable to all. What better year than the hundredth year of our confederation to sit down at a conference methodically and purposefully, without heat, bias or prejudice. We do not want to limit the conference to a few days. It took weeks and months in 1864 and 1866. Such a conference would bring about a fair and reasonable assessment of what changes are necessary and practical. All those present, if I mistake not the feeling of the Canadian people, would be activated by a single aim and

by one desire, namely the common good of all Canadians and of Canada as a whole.

I make this appeal again to the Prime Minister. I say that the tinkering that has gone on is arousing antagonism throughout the country. The constitution cannot be changed by whittling it away. If I am charged with overstating the question, I will refer hon. members to the speech made the other day by the Minister of Finance (Mr. Sharp) in which he said among other things that opting out and the like have weakened the Canadian constitution.

At a confederation conference I would look for representatives of every province in Canada to appear with solid, practical suggestions. I would hope that representatives would come with open minds and in a spirit of Canadian fraternity to endeavour to meet the situation. It will not, in my time, tear this nation asunder but if the constitution is to be circumvented, undermined or departed from on an ad hoc basis, Canada will not long survive.

That is the essence of what I have to say today. I make this appeal to the house. To secure the viewpoint of the members of this house I shall move an amendment. What should be put in it? I do not like omnibus amendments. I like an amendment which will strike at the heart and raise the hope of men and women across this nation. We could incorporate in the amendment that Canadian-American relations are in a very bad state and that internationally our image as a result of our stand on Viet Nam is one of pusillanimous neutrality. We could incorporate an item to the effect that nothing has been done to meet the overriding problem in so far as the economy and industrial and labour relations are concerned. It could include a demand for a reduction in unnecessary expenditures and an end to those climbing expenditures which have gone up $3 billion since we held office.

I hear so much about youth today. Where is there anything for youth in the speech from the throne? I hope that today the Prime Minister will announce again the 10,000 scholarships which are like sugar plums hanging in the air for four years. Those who expected them and voted for them have graduated. I could deal with the cost of living which according to the latest record rose 1.3 points over the month of March, the April report being in today. I could deal with the failure to assist the farmers and agriculture with the exception of the addition of one more task force which will have only one effect. Nobody needs to assess the task; everybody knows it. The force, however, will postpone action. We could include the housing crisis. According to the *Financial Post* of April 29, and it is always right in financial matters, the crisis is the greatest ever. We could deal with the need for action, as the No. 1 project of parliament today, in the reduction of taxation. All of these things could be included. However, this is centennial year and in my opinion, as well as in the opinion of all hon. members I am sure, national unity comes first. These other matters, therefore, may be dealt with when the budget comes up or when motions to go into supply are advanced. In order to give Canadians an opportunity of knowing whether this parliament means to act effectively in connection with our national problem of unity, I shall not deal with these several matters and many more with which I could deal.

• (4:30 p.m.)

I therefore move, seconded by the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard):

> This house regrets that Her Majesty's advisers have failed to submit any program to give effective direction with regard to Canada's constitutional development in this centennial year and has failed to provide for the calling of a national constitutional confederation conference to be widely representative of the governments, federal and provincial and of the territories, and of all political parties for the purpose of repatriating Canada's constitution and revising and amending it as agreed upon so that Canada's future course may be charted in the interests of all the people with a declaration of national goals based on the confident assurance of success that was so selflessly and patriotically displayed by the fathers of confederation.

Right Hon. L. B. Pearson (Prime Minister): My first words, Mr. Speaker, must be to join with the right hon. Leader of the Opposition (Mr. Diefenbaker) in congratulating the mover (Mr. Jamieson) and seconder (Mr. Côté, Nicolet-Yamaska). I have been in the house a good many years, not as long as the right hon. gentleman but long enough to have listened to a great many speeches moving and seconding the address. I have never heard it done better. I think the two hon. members are to be very sincerely congratulated. I am sure they will get satisfaction out of the fact they know they have done their job well and will be appreciated in the parts of the country from which they come.

I should like, if I may, to congratulate the right hon. gentleman in opening this debate

in predictable fashion. I feel a sense of relief, however, because his speech was less predictable in one sense. He was not quite as hard on the government and the leader of the government today as he has been on other occasions. Perhaps he is saving that.

Mr. Diefenbaker: That is the centennial spirit.

Mr. Pearson: I should like to reciprocate that centennial spirit by taking out of my remarks anything that might indicate a reflection on the wisdom, energy, devotion, determination and all the other good qualities which the right hon. gentleman possesses. At the end of his very interesting statement, he said that he was not going to move on this occasion an omnibus amendment. I must say that at first glance this one seems to be rather omnibus, although it does concentrate on the calling of a constitutional conference to revise and rewrite our constitution. I shall have something to say about this later.

At one point in his remarks he stated that this country was never so divided as it is now. I do not agree with that. However, I do agree with what he said later and which I hope represents his more considered opinion. He said that there is in the country now a spirit of unity and willingness to co-operate of which we all, as Canadians, can be proud.

In his introduction to his remarks the right hon. gentleman presented his own version of Canadian history. He was very eloquent indeed, and with what he told us I have no quarrel except perhaps to point out that when he charges us on this side, as he so often does, with trying to put into effect in this country a two-nation policy in the political sense, and when he quotes Sir John A. Macdonald to underline the enormity of that kind of policy he should remember, and I am sure he does remember, that it was Sir John A. Macdonald who said once of French speaking Canadians, "Treat them as a nation and they will act as a free people generally do."

The right hon. gentleman complained, and I certainly do not quarrel with this, about the length of the speech from the throne and the inadequacy of the material in the speech having regard to its length. It was a long speech, Mr. Speaker, though I seem to remember when I was in opposition standing behind the bar in the Senate chamber for more than 41 minutes on more than one occasion. I promise to do my best next January, February or March to keep it down to about 25 minutes, and I am sure the Governor General will co-operate with me in that regard.

Having mentioned the length of the speech, however, the right hon. gentleman quarreled about the fact we had not included in it a great many things which he mentioned and which, if we had included them in the speech, would have extended it another 40 or 45 minutes. It is quite true that no speech from the throne, however long it may be, can encompass all the legislative plans of a government over a period of what is now normally about 12 months. I will try to mention some of the things in detail that were not included in the speech from the throne but with which I hope this parliament will be able to deal in our centennial year.

The right hon. gentleman referred to us as a "look-into-it" government. When we are faced with problems we look into them by setting up commissions of inquiry. This is quite true. My own experience has taught me that it is quite wise to look into things before you act. But having complained about this weakness, as he termed it, on our part, he proceeded to recommend two further inquiries, both of which might be quite useful but which would require in one case setting up a royal commission and in the other a parliamentary committee into education.

• (4:40 p.m.)

I wish to make another promise to my right hon. friend which arises out of the statement he made in Winnipeg when he intimated that as a crafty, cunning politician—those were not his words but that is what he meant—

Mr. Diefenbaker: No.

Mr. Pearson: —and I know that he meant these words in a kindly way—

Mr. Diefenbaker: I had not that in mind.

Mr. Pearson: I never had it in mind either. But the hon. gentleman, speaking as a politician, said that I might well take advantage of any disunity and division in the Conservative party and call a quick election in centennial year. I wish to assure him and the house that I have no such intention.

Mr. Diefenbaker: Of course the Prime Minister said the same thing in 1965.

Mr. Pearson: If there is an election this year it will be only because of defeat in the house on a motion of non-confidence. My

right hon. friend has just moved such a motion of no confidence, and that of course cannot be supported by those sitting on this side of the house.

I was moved by what the right hon. gentleman said about the effect of centennial year on the national spirit and national unity. I agree with him, and I am sure all hon. members share my feeling, that this celebration of our centennial of confederation is strengthening the pride and confidence of Canadians in their own country. This spirit has given us a greater sense of unity and strength and an appreciation and understanding of what we have achieved and what we can achieve.

It seems to me that we have arisen from the psychoanalyst's couch; we are up and doing things again. We are more aware also of what we have done, and therein lies the value of the lesson of history. We have a strong faith in our future and in our ability to solve the difficult and complex problems facing us. I think that Expo '67 has itself made a brilliant and important contribution to this new Canadian feeling.

The right hon. gentleman mentioned some of the proposals in the speech from the throne. I should like to deal with some of those and some that were not mentioned in the speech. No speech from the throne includes all of a government's legislative proposals. I remember that when I was sitting opposite the right hon. gentleman produced some most exciting proposals after the speech from the throne had been read.

Mr. Diefenbaker: They were only amplifications.

Mr. Pearson: Perhaps I have improved on that technique by bringing forward certain proposals before the speech from the throne was read. A good deal, of course, is before us, and I hope that the house is able to take action before any summer adjournment on certain matters which I shall mention. The debate on the address has to be disposed of. We must have approval of the main estimates and the budget has to be introduced and debated. Certain bills I think ought to be dealt with before any summer recess. These are the immigration bill, the Cape Breton Development Corporation bill, the Canadian Wheat Board bill, the Canadian citizenship bill and the interpretation bill. Because I agree completely with what the right hon. gentleman has said about the importance of broadcasting in our national life and the necessity for action by the government and parliament, I hope that we shall be able to introduce before the summer recess the broadcasting bill, even though it may not be dealt with until autumn. I also hope it will be possible to introduce in an appropriate way the resolution on capital punishment.

We have a list of legislative proposals, and a good deal of this legislation appeared on the order paper in the previous session. A good deal of this legislation ought to be completed during our centennial year. It includes the budget bill and appropriation acts—these can be left until autumn if we make satisfactory progress—changes in the divorce law, criminal code amendments, including provisions relating to abortion, contraception and hate literature, the revision of the rules of the house—we have already set up a committee for that purpose—the revision of the Canada Corporation Act, Food and Drugs Act amendments, amendments to the Publication of Statutes Act, an amendment to Parliamentary Secretaries Act, the Canada manpower and immigration council bill, the National Museum bill, and certain other measures not previously introduced or mentioned in the speech from the throne but which may be dealt with either this summer or autumn.

If I seem to have produced a long list, may I remind hon. members that in the last session of the House of Commons we brought into law 83 bills. If we could pass 83 bills during the last session with all the diversionary difficulties we encountered I hope we shall deal without too much difficulty with the following list of legislation: National Parks Act amendments, the federal co-operatives bill, Pension Act amendments, Post Office Act amendments, National Energy Board Act amendments, Juvenile Delinquents Act amendments, Farm Improvement Loans Act amendments, Currency, Mint and Exchange Fund Act amendments, Canadian National Railways Financing and Guarantee Act amendments, 1967-68 Emergency Gold Mining Assistance Act amendments, Proprietary or Patent Medicine Act amendments, and hazardous substances legislation.

That is the kind of program I hope we shall accomplish during our centennial year, and there are other, smaller, non-controversial bills which I hope by agreement may be brought forward whenever the opportunity arises. I have listed these pieces of legislation, apart from those which I hope will be passed before a summer recess, not in any necessary order of priority. I am aware that if we are to pass these bills, if we are to accomplish this

program, we shall have to organize the business of government and the business of parliament. I hope, with this organization in mind, that there can be advance planning with the house leaders meeting regularly so that the business of parliament and the legislation I have listed in *Hansard* may be proceeded with expeditiously. I hope that this organization can be worked out by collaboration and agreement, after discussion with representatives of all parties, even before the question of the priority of legislation is discussed at all-party committees. If we can do that, if we can work out general agreement as we approach specific pieces of legislation, not only will we get through this centennial program of legislation but we shall have added greatly to the effectiveness and efficiency of our parliamentary system, and that is something we all wish to do.

The last session was the longest in our parliamentary history. It was also one of our most productive. Eighty three bills, not including appropriation bills, became acts of parliament. I should like to discuss this afternoon some of the actions that still need to be taken and why I think they are required. Many of these proposals could not be brought forward during the last session, not because they were not on the order paper but because of the time required to pass the 83 bills to which I have already referred.

The speech from the throne reflects in general terms the need for government to improve the opportunities for every Canadian to live a better life. A great deal of the legislation I have mentioned comes within the context of improving people's opportunities to better their own lives. Like people everywhere, Canadians want at least a basic minimum of economic opportunity and social justice as a starting point for personal fulfilment. I believe we have made good progress in this parliament and in this country in establishing this basic level of opportunity and social security. We have achieved a national living standard and a system of social security of which we can be proud.

• (4:50 p.m.)

Some hon. Members: Hear, hear.

Mr. Pearson: Of course, there is always room for improvement even though the basic structure has been well laid. There is, for instance, a growing interest in this country as in other countries in the idea of a guaranteed minimum annual income for every family or even for every citizen. This is a sweeping idea and an increasingly popular one with many complicated and far reaching implications. There is one view that the provision of a guaranteed income might be a more effective and more economically efficient approach than separate pensions and social security measures in ensuring that basic human needs are provided for. It may be that we could provide the social welfare services we are now providing at a smaller cost even through such an approach. But the opposite might be the case.

Studies have been made in this field for the purpose of obtaining further information. The report of a Senate committee went into it many months ago, not in an exhaustive way, of course. Perhaps it would be useful at some fairly early date, in line with my tendency to look into things, to have all the implications and possibilities of the idea of a guaranteed income thoroughly examined. Such a study ought to be made solely as a means of determining as authoritatively as possible whether this idea is a desirable and practical one which should be considered by parliament.

Having said this, I should add we must never forget that only out of an expanding economy with full employment and rising production can social security be maintained or strengthened as required. In that sense, financial and economic policy is an essential part of social security progress. I do not intend to deal with financial and economic matters today. The Minister of Finance (Mr. Sharp) may have an opportunity to participate in this debate as, indeed, may other ministers.

We have a well developed economy and this poses for us the challenge of how best to use and enjoy our unprecedented progress and good fortune both in our national interest as a society of free individuals and in fulfilling our international responsibility in this world community of man. I think most Canadians now realize that social justice cannot be measured in economic terms alone. It must also be measured in terms of standards which are more than material and of opportunities for personal development and fulfilment. This means we must be prepared to recognize in our laws changing social values. It is with this approach in mind that parliamentary committees have been set up by this house and are considering what might best be described as new social law dealing with matters like divorce, contraception, abortion, capital punishment, penal reform and that kind of thing. It is my hope, as I have just indicated in the list I have read, that this

session we shall at least be able to make certain changes in this area which are required to bring the legislation into line with current conditions and current thinking.

We are also, as the speech from the throne states, giving consideration to what I consider to be an important and legitimate new federal initiative in the area of consumer affairs. Until the day comes when individual and collective integrity are to be depended upon as the only regulation which is required—in other words, until we reach Utopia—Canadians will expect their governments to do what is necessary to protect the public interest and ensure fair and honest practices for the protection of consumers.

We intend to meet whatever federal responsibilities are required to be met in this area using the present Department of the Registrar General as a department of consumer and corporate affairs and, as such, the main instrument for discharging and coordinating federal responsibilities in this field. We intend to recognize the growing demand for greater consumer protection in so far as these matters fall within federal jurisdiction. And when they are not within federal jurisdiction there is no reason why we should not take the initiative in discussing them with the provinces.

Some hon. Members: Hear, hear.

Mr. Pearson: We are also considering with a view to parliamentary action certain recommendations made by the joint committee of the Senate and the House of Commons on consumer credit including a proposal that large companies should be required to make public more information about their business operations. Whole sectors of our economy today are, if not dominated, very largely influenced by a few large corporations. This may well improve our capacity to compete effectively in international markets through specialization, consolidation and maximum efficiency but at present there is not enough information disclosed about their business operations to permit Canadians to judge whether companies wielding such large influence are doing so with the public interest primarily in mind.

For instance, so-called private companies have the right under existing law to keep all their activities private not only from governments but from economists, lawyers, politicians, the rest of the business community and prospective investors. There is a growing and, I think, justifiable demand within our business community and outside for more information about the operations of corporate business whether private or public, Canadian or foreign-owned.

In the course of his speech the right hon. gentleman mentioned housing. I should like to say a few words about it because I agree with him that this is one of the most important problems facing this country at the present time. There is today an urgent need to do all we can in co-operation with and by way of assistance to the provinces which have the primary constitutional responsibility in this field to make more housing available to Canadians, especially to those in the lower and middle income brackets. In the course of this debate my hon. friend the Minister of Labour (Mr. Nicholson) will, I hope, have the opportunity to say a good deal more on the subject.

But I think we should also pay more attention, as we are beginning to do, to the still larger problem of community development and environmental planning in Canada. I believe the federal government has a duty to suggest new ways in which it may help the provinces and the municipalities, without interfering with their responsibilities to cope more effectively with this larger challenge which is rapidly becoming one of the most urgent confronting every level of government in Canada today. I read the other night in a comment on the speech from the throne that in proposing to deal with these large subjects of community planning, environmental life and all that kind of thing we were off in the distant future speculating about what we should do in this field. There is nothing of the distant future about it. This is an urgent and immediate problem in Canada and it cannot be solved without the co-operation of all three levels of government.

• (5:00 p.m.)

As the speech from the throne indicates, the government is seriously concerned about the need to find more effective ways for all levels of government to co-operate more closely in providing Canadians with a better living environment, both in our urban and in our rural areas. With the steady growth in our population the need for more housing can only increase in the future, and that need is great now. Virtually half of Canada's existing housing stock of 5,400,000 dwellings has been constructed since the end of world war II over a period of little more than 20 years. Much of this housing has been facilitated, if

not made possible, by federal assistance, as indeed has progress in urban development generally, assistance in a form which has been quite substantial but also acceptable to all the provinces and municipalities.

Despite generally good progress in the housing field so far, however, Canada's programs have fallen very far short of need, especially for persons of low levels of income. For example, of the approximately two and a half million new dwellings constructed since the war only 56,400 units were directly intended to meet the needs of our low income people. The challenge that this involves to all three levels of government in Canada today is going to increase in the future, and in the very near future. In little more than the decade that lies immediately ahead we will have to produce another two and a half million dwelling units just to ensure that Canadians are adequately housed. That is as many new units as we have produced since the war, and we are going to have to produce them now in less than half that time. That is the immediate and most urgent problem but there is a need also for a better quality of living environment in Canada which goes along with this need for housing.

Housing itself is of first importance but it is also important that we do not get just horizontal rows along streets and vertical rows up and down elevators. Therefore I hope the government will be able to put forward proposals for legislation at this session which will help the provinces and cities in dealing with the housing problem and also ancillary problems of urban development.

There is also a growing need for federal co-operation with the provinces in reserving land as open space within urban areas and in developing new suburban communities. Urban living is becoming steadily more concentrated. I was informed a few days ago, although I do not know whether the statistics are accurate, that in a very few years 80 per cent of the people of Canada will be living in half a dozen great metropolitan areas. This emphasizes the need for recreational open space to be shared in the form of parks and conservation areas.

It would not be sensible to offer assistance in the development of new urban communities without being able to see these developments as parts of a whole city and metropolitan region. It is only within a regional framework that intelligent decisions can be made about the main transportation routes and utilities, about open space and built-up space, and about the focal points of communities where traffic, high density housing and commercial services will be concentrated. The federal government is prepared to discuss with the provinces—indeed discussions have already begun with my colleague the Minister of Labour (Mr. Nicholson)—how it can usefully co-operate in these wider matters, as it already does in urban renewal.

We have the same problems and same requirements existing in less developed and less urbanized regions of our country, and here the same kind of public effort and private effort at all levels of government is needed to solve them. For instance, the regroupings of populations in Newfoundland, New Brunswick and in the prairie provinces, aided both by the ARDA programs and the provisions of the National Housing Act, are also in a sense exercises in urban development. Better housing and community facilities are essential steps for many Canadians, and are essential steps to be taken by Canadian governments.

These ideas, Mr. Speaker, are ones which I hope we will be able to put before the house before the end of this session. They are very much before our minds as a government now. If they are finally agreed upon in whole or in part they would involve extensions and improvements in the federal assistance role under the National Housing act, and we propose to bring amendments before the house during this session which would make that kind of improved assistance possible. But before we do this, since on the federal level we do not have information on all our regional and local needs I think it would be desirable for the government to explore this idea with the provinces as to how best we can work out co-operatively programs of this kind. I hope we will soon be in a position to invite the provinces to join us in practical discussion of these matters leading to a co-operative inquiry. This would perhaps be something new in our history, and this is the kind of constitutional development that can take place without any amendments to the constitution. It would be inviting the provinces and the federal government to conduct a joint inquiry, if you like, a federal-provincial royal commission, reporting back to both levels of government. This, I think, is something worthy of consideration.

The right hon. gentleman had a great deal to say about the constitution and how we should take advantage of centennial year to set up machinery for its revision and alteration and, indeed, the amendment he has moved

deals with that particular question. Canada has accomplished great things under its present constitution. In the last 100 years that constitution has shown itself adaptable to change in days when change, I admit, was much slower than it is now. We have had our constitutional difficulties ever since the very beginning of confederation, federal-provincial constitutional difficulties almost from the first year of confederation, but those we have had have not prevented the great achievements of our first 100 years.

This is especially creditable when one considers that we in Canada are trying to do something that no other country in the world is trying to do in the same circumstances—to develop and administer with relatively few people a confederation that is continent-wide, a confederation in a country of vast distances, east and west, north and south, which at its founding included two basic languages and cultures, and in its development many others, to the great advantage of the country. We are doing this, moreover, under a federal structure of government which is far more difficult to operate than the unitary centralized government which Sir John A. Macdonald and many others wished for in 1867. Canada has shown by its own record of achievement that a federal system does not mean weakness at any level and that a country can develop under a federal system of government.

• (5:10 p.m.)

The accommodations and compromises we have had to make did not mean weakness or we could not have done what we did and would not be here today. This, however, has not been easy. Our size alone creates problems of government, not only physical ones. It produces differences of interest, of points of view. It often makes for regional emphasis, politically and economically, especially when things are going well. Moreover, language and cultural differences introduce politically complicating as well as nationally enriching elements in our society. They bring about differences in value, attitude and viewpoint. But we have always reconciled these differences under our present constitution. We have made federal democracy work even though democracy requires a maturity, restraint and discipline which is far more difficult to maintain in the jet age than in the horse and buggy days of 75 years ago.

Today the constitution remains the most important single element in our government. In some ways, perhaps, it is the most important single element in our achievements. It is the source of the rights and jurisdiction of the provincial as well as the federal governments. It is a protection for all the people, especially minorities. So an obvious and vital factor in our national growth is our constitution. An obvious and vital factor in any constitution is a method for changing it. In 100 years we have not yet found a way to do that, although we came very close to it a few years ago.

Changes can alter and upset the balance of rights and powers. Indeed, they are bound to do so if they are of any substance. There are two possible ways to bring about changes in our constitution. The first is by the process of gradual revision of what we have. In this process we start out with the British North America Act. The first stage in that process is to agree on how to change it. If we cannot agree on that, we are not likely to agree on any substantial changes.

If we can agree on that, the second stage is to use the amending formula in order to make the required changes. We have done this three or four times in the last four or five years through the amendments concerning the retirement of judges in 1960, the retirement of senators in 1965 and the old age pensions and supplementary benefits in 1964. Changes of this kind can be relatively minor—two of the three I have just mentioned are relatively minor—or very far reaching as one of them was. Indeed, change of this kind could end with a total revision if all governments concerned so agreed.

The essence of this approach is not that it results in a limited change, a whittling away, or imposes restraint on what can or should be done. The essence is that it starts with what we have. It never incurs the risk of total breakdown by total agreement at a total formal conference. It permits of orderly change without limitation. It adapts to change and adapts the constitution to change by modernizing and strengthening an existing structure. In addition, constant and progressive adaptation of our constitution to new needs has been made outside formal amendment to the British North America Act through federal-provincial agreements and conferences.

This, of course, is the way the present constitution was developed over the century. It was done not by formal action but by consultation. So those who think that Canada is frozen in an ironclad constitutional document do not, in my opinion, show much knowledge of what our constitution is or how it works.

The fact is that the Canadian constitution has shown a very high degree of flexibility and adaptability. This flexibility, however, does not mean that the British North America Act in itself is a document which cannot and should not be re-examined and changed when necessary. As my hon. friends know, some provinces already have commissioned and published studies on constitutional matters and the experience of these commissions in the province of Quebec and the province of Ontario should be studied very carefully by those who feel that what we should have now is a full dress constitutional conference.

The province of Quebec, for instance, for a few years now has had a committee of the legislature studying such matters. I understand that it is not finding it too easy to come to any agreed conclusion. The province of Ontario also has authorized constitutional studies by experts. They reported to the government a few weeks ago their varied views and conclusions concerning what should be done. The government of the province of Ontario also has suggested the convening of a conference on confederation goals, the nature of which at the moment is not very precise. As to the federal government, apart from our special role—and I believe in constitutional matters the federal government has a special role; it is not one government among 11: it is the federal government and has a special role in these matters—in the field of federal-provincial discussions, interdepartmental studies have been under way during the course of the last year. We have been preparing for these discussions and for parliamentary discussion by an interdepartmental committee which has been studying from the federal government point of view our constitutional problems and what in our view might be done to make our constitution more effective in terms of the problems of 1967.

To expedite these discussions the government has decided to set up in the Department of Justice a section especially concerned with constitutional matters. I believe I mentioned this point in the house. That section will be under the direction of a distinguished Canadian lawyer with extensive experience in federal-provincial matters. We will be able to rely not only upon excellent departmental resources for advice but will also be able to call upon outside help if we deem this to be advisable. I hope that this section will be in operation within a matter of days.

There is, however, another way to bring about constitutional change, that is, to devise a totally new structure or bring about an early and wholesale revision of the present constitution at a great constitutional conference, a national estates general with representatives, as the right hon. gentleman put it, of all governments, all parties, all leading agencies in the country, labour, business, finance and universities, and bring them together in a great centennial conference.

Mr. Diefenbaker: That would not be an estates general.

Mr. Pearson: The idea has a great attraction for many, but I think it also has great risks. It is comforting to hope that problems arising out of our present constitutional structure could be solved most quickly and effectively by starting over again completely and putting up an entirely new shiny glass and chrome structure on the old foundation. But if a constitution has succeeded for 100 years in providing free, successful, efficient government resulting in a productive, affluent competitive society, in my view it would be irresponsible to scrap it.

We believe that as a government it is our duty, and we will abide by this, to resist any constitutional leap in the dark which might be proposed on the spur of the moment or because of the occasional and temporary dissatisfaction of a particular government with this or that particular situation—a conference, for instance, where a province might bring forward a proposal to give any or all provinces certain international rights and obligations. Having said that, however, I should add that I admit that the federal government has a special responsibility to discharge its obligation in the constitutional field by doing what it should do through parliament to bring our constitution, as I have already said, in line with the problems of the day. We will actively pursue our own studies as a basis for federal proposals, and I hope we will not be too long in completing those studies. They will be used as a basis for consultation with parliament and the provinces.

• (5:20 p.m.)

Some weeks ago I wrote to all the provincial premiers suggesting that we should have an informal meeting in Ottawa on July 5, after the swearing in before the Queen of all the premiers as members of the Canadian privy council. This in itself I think is a significant centennial ceremony.

Some hon. Members: Hear, hear.

Mr. Pearson: I would hope that such a meeting would provide us with an opportunity for a free exchange of views on how we see the future of our country and our confederation. While I would not expect such a meeting to go into detailed discussions of constitutional matters—indeed, it would be impossible at any such meeting to do so—I would hope that we could see whether there are likely to be some matters on which there is fundamental agreement among all concerned and which could be made the subject of an early joint effort in the constitutional field.

I have an open mind on this matter but it would seem to me that one of the most important items in the constitutional field with which we could start federally and provincially would be the adoption by all Canadian governments, provincial as well as federal, of a bill of rights for all Canadians, enshrined not only in federal law as it now is but in provincial law. This would be the first statement by all governments in Canada of the basic foundations upon which they want the Canadian society to be established and to grow. It could be argued that such a bill should even precede specific constitutional reforms. Surely, before we can seriously hope to agree on structural changes, we should endeavour to agree, federally and provincially, on a statement of common values and on a declaration of our basic individual and collective rights as Canadians.

This is an area where several provinces and the federal government have made progress during the last few years, and it would seem to me that the centennial year of our confederation might be a good occasion for all the provinces and the federal government to get together and try to define a common statement guaranteeing the basic freedoms and rights of Canadians. I would hope that this could be based on the existing federal bill of rights, which will always be associated with the name of my right hon. friend the Leader of the Opposition.

I have just one or two other matters I should like to mention. I think all members of the house will agree that the government has been trying to advance the idea of more open government, if I may call it that, at the federal level, based on broader parliamentary discussion through committees. Of course we have set up more and more committees during the last few years and the more we set up the more difficult it makes it for hon. members to acquire that educational benefit which my right hon. friend suggested should be available to all members.

We have shown a willingness as a government to submit policy proposals to parliament for real and meaningful discussion and for revision when the government is convinced that revision is needed. We have taken this approach on a number of legislative proposals, notably the transportation and immigration measures.

We want to make parliament a more efficient place so far as decision making is concerned, and a committee for that purpose was set up during our first day of meeting. We also want to give parliament a chance to become a more effective forum for debating and influencing the decisions proposed by government.

Governments can more effectively discharge their responsibilities to the public if they can have more freedom to bring forward ideas and suggestions for discussion first and then be able to make necessary changes in the light of such discussion in parliament without being accused of weakness or retreat. At the same time the government must be able to stand firm on what it believes to be a right course without being accused of obstinacy or without debate being prolonged to inordinate lengths in order to force a change.

Today's media of communication have completely altered the possibility of democratic debate on public issues. My right hon. friend referred to this aspect very impressively a few moments ago when he was talking about broadcasting. In a sense the swiftness and comprehensiveness of our communications make it possible to conduct political debate on a nation-wide basis as it used to be conducted at the town meetings of our distant past. Issues can very quickly be made the focus of a nation-wide debate through today's communications media, but the issues are far more complicated than they used to be. The public can very rapidly be informed of the pros and cons and can make its weight felt on one side or the other almost overnight. This provides a new element of protection for the public interest in open and thorough airing of public issues, provided the public is honestly, objectively and adequately informed.

I believe this necessity of public exposure to issues must soon be given greater recognition in the procedures of parliament. I would like to join with the right hon. Leader of the Opposition in expressing the hope that during this session some experimentation in regard to televising our procedures might be attempted, beginning perhaps with committee

deliberations. In this way the people of Canada themselves could be brought more intimately into contact with the processes, the aspirations and the problems of their government institution. This might have quite an effect on the attitudes, the words and the manner of our debates, particularly if we knew they were going into the drawing rooms of the nation.

If I may be permitted a personal reminiscence, when I was sitting in the chair as president of the United Nations general assembly I was, as is my custom, doodling while a long speech was being made by a delegate. I do not know whether this would happen if we should have television cameras in this chamber but in those days the cameras could take close-ups from long range. While I was sitting there doodling I received a note from one of our delegates in the delegates' lounge who was watching the proceedings on television. His note read: "The television camera is on your hand; stick to those geometric patterns." We might have to be a little more careful if we have television in the house, and perhaps we should start in the committee on external affairs.

Mr. Diefenbaker: Is that the only place they doodle?

Mr. Knowles: There are no geometrics there.

Mr. Pearson: In this way the people of Canada might be given a more meaningful picture of our debates, and the Canadian people might then get a better idea of the problems and difficulties we face in trying to govern this vast country in these most complicated and fast changing times.

I should like to conclude by saying a word about one aspect of international affairs. There may be an opportunity during this debate for the Secretary of State for External Affairs (Mr. Martin) to take part, during which time he would deal at greater length with these matters. My right hon. friend said that one of the subjects for an amendment might have been—I hope I am quoting him correctly—pusillanimous neutrality with regard to Viet Nam. The alternative to neutrality is involvement; we can leave the "pusillanimous" part out. Involvement means supporting one side or the other. I do not think it would improve our opportunities in working for peace if we took an active position as a government, with the responsibility of government, on one side or the other in the particularly difficult and dangerous situation in Viet Nam, because it is a dangerous situation and is, I think, causing more anxiety today than it has at any time since I have been trying to follow it. I think the present situation is making it more difficult for diplomatic initiatives to succeed in the direction of negotiation and peace and, if I may say so, there is no person in the western world who has worked harder to bring about negotiations for peace than the Secretary of State for External Affairs.

• (5:30 p.m.)

Some hon. Members: Hear, hear.

Mr. Pearson: If that is our objective, and of course it is our objective to do what we can with the means at our disposal, I do not think that as a responsible government it would be wise or desirable or necessary for us to publicly condemn or publicly proclaim. I think it is better for us to play our part as a member of the international commission and of the international community and work in a quiet, not spectacular but as effective a way as possible, to help bring about an end of hostilities and to work also as a good friend and neighbour of the United States of America, which does not prevent our speaking out when there is an obvious and inescapable duty to do so, whatever may be our responsibility as a government. But I think there is imposed on us the obligation not to do that unless it is inescapable; otherwise I believe we would not be able to act in a way in which our suggestions would be listened to by the United States government when we put them forward through the channels of diplomacy.

My increasing anxiety in regard to Viet Nam, which I know is shared by a great many people, arises out of my reading of the situation which indicates that the possibility of early negotiation has receded, that a quick military victory is not possible nor a military solution.

Mr. Herridge: Hear, hear.

Mr. Pearson: The situation, then, in these circumstances becomes more dangerous internationally. I have no comment, of course, to make on the effect of a prolonged military struggle on the United States itself. If the fighting goes on, it seems to me likely that its scale will increase—I believe the word we have to use now is "escalate"—and the ultimate result of this is an increasing threat that fighting will not only increase but expand and

in any event it will mean the destruction of Vietnamese people wherever they are.

I think it would also mean, if my analysis is correct, the indefinite involvement of the United States of America in Viet Nam militarily and politically, with all that this implies. It might mean the indefinite continuation of the cold war so far as the U.S.A. and U.S.S.R. are concerned at a time when this seems to be the only major obstacle in the way of an amelioration of the cold war. If that is the case, it is likely to postpone indefinitely any hope for an east-west detente which will include the United States of America and the U.S.S.R. In that event there will be increasing pressure brought to bear on Europe to make its own arrangements with eastern Europe, with the damaging effect on the Atlantic coalition and collective security that this would have. As my right hon. friend said in his address, and I am only paraphrasing, NATO and collective security are still essential for the protection of freedom in Europe and the Atlantic area.

So, Mr. Speaker, all these possible results do not cause me to be very optimistic and they do not give me any cause whatever for comfort. But all we can do as Canadians—and we have a special responsibility as the Canadian government—is everything we possibly can to bring our worries and anxieties to the notice of those who are more immediately and directly involved in the hope that our advice and counsel will be of some help to them. I am thinking particularly of Washington and the terrible problems they face there. I hope we will be able to discharge that duty and continue to discharge it in the way that I believe the Secretary of State for External Affairs has been discharging it ever since he took on this portfolio.

Some hon. Members: Hear, hear.

Mr. Pearson: Mr. Speaker, I think I should end where I began with a reference to our centennial year, to all that it means to us in terms of unity and strength as Canadians and what it is doing for us. I acknowledge the eloquence of the right hon. gentleman in this regard. As he has so often pointed out, in this house we have our strong and strongly expressed differences of opinion, but at a time like this these are very minor things compared to our pride in our country and our desire, indeed our determination, to do what we can to serve that country. There is nothing I would like better than to be able to say this is a good amendment on the part of the right hon. gentleman and we will all support it. Perhaps that would be my centennial project.

Some hon. Members: Oh, oh.

Mr. Pearson: I cannot go as far as that because this amendment is a vote of no confidence in the government and was moved as such. I hope that in view of the record of what we have achieved in the last four years this house will feel that we should not be defeated on a vote of no confidence of this kind in the centennial year of confederation.

Mr. Knowles: Mr. Speaker, having consulted the other house leaders may I, on behalf of the hon. member for Burnaby-Coquitlam (Mr. Douglas), move the adjournment of the debate. My motion is seconded by the hon. member for Comox-Alberni (Mr. Barnett).

Motion agreed to.

On motion of Mr. MacEachen the house adjourned at 5.41 p.m.

HOUSE OF COMMONS

Thursday, May 11, 1967

The house met at 11 a.m.

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING INTRODUCTION OF PUBLIC BILLS ON ORDER PAPER

Mr. Speaker: Hon. members will notice there are on today's order paper about 100 public bills listed for introduction by private members. It would be difficult if not impossible for the Chair to review the provisions of each of these bills at this time. May I therefore suggest to the house that we adopt the procedure that was agreed upon by the house in the past five sessions, namely that we proceed to the introduction and first reading of these bills so that each may be scrutinized between now and the time appointed for second reading in order to determine whether there be any defect therein with respect to the practices and usages of the house.

Therefore, in order to save the time of the house, taking into consideration that perhaps more than two hours would be required to introduce each of these measures separately, it is suggested that by unanimous consent all the bills listed for introduction on today's order paper be deemed to have been introduced, given first reading and ordered for second reading at the next sitting of the house, subject of course to a subsequent examination as to the regularity of each bill.

Is this agreed?

Some hon. Members: Agreed.

PUBLIC BILLS

FIRST READINGS

Bill C-2, to amend the Canadian Citizenship Act—Mr. Bell (Carleton).

Bill C-3, to amend the Canada Elections Act (publication of straw poll results)—Mr. Peters.

Bill C-4, concerning reform of the bail system—Mr. Mather.

Bill C-5, to amend the Canada Elections Act (age of voters)—Mr. Brown.

Bill C-6, to provide in Canada for the dissolution and the annulment of marriage—Mr. Peters.

Bill C-7, respecting the observance of Leifr Eiriksson day—Mr. Stefanson.

Bill C-8, to amend the Canada Labour (Standards) Code (three weeks annual vacation after three years)—Mr. Knowles.

Bill C-9, to govern, licence and regulate the operation of rainmaking equipment in Canada—Mr. Peters.

Bill C-10, concerning the exportation of the growth and produce of Canada—Mr. Peters.

Bill C-11, to amend the Criminal Code (fine print clauses)—Mr. Mather.

Bill C-12, to amend the Canada Elections Act (age of voters)—Mr. Reid.

Bill C-13, to amend the Criminal Code—Mr. Prittie.

Bill C-14, to amend the Canada Elections Act (age of voters)—Mr. MacDonald (Prince).

Bill C-15, to amend the Inquiries Act—Mr. Bell (Carleton).

Bill C-16, to amend the Judges Act—Mr. Bell (Carleton).

Bill C-17, to amend the Post Office Act (hate literature)—Mr. Orlikow.

Bill C-18, to amend the Criminal Code (wire tapping, etc.)—Mr. Orlikow.

Bill C-19, respecting the right of privacy—Mr. Herridge.

Bill C-20, to amend the Radio Act (community antenna)—Mr. Peters.

Bill C-21, to amend the Criminal Code (impaired driving)—Mr. Mather.

Bill C-22, to amend the Senate and House of Commons Act (St. Luke 11;46)—Mr. Herridge.

Bill C-23, to amend the Weights and Measures Act (truth in packaging)—Mr. Orlikow.

Bill C-24, to amend the Oaths of Allegiance Act (affirmation)—Mr. Howe (Hamilton South).

Bill C-25, to control air pollution—Mr. Haidasz.

Bill C-26, to amend the Canada Elections Act (age of voters)—Mr. Schreyer.

Bill C-27, to amend the Combines Investigation Act (floor penalties, criminal joint tortfeasors, and moieties)—Mr. Orlikow.

Bill C-28, to amend the Criminal Code (capital punishment, form of sentence)—Mr. Cowan.

Bill C-29, respecting Sir John A. Macdonald day—Mr. Macquarrie.

Bill C-30, to amend the Immigration Act—Mr. Badanai.

Bill C-31, to amend the Immigration Act (mental retardation)—Mr. Mather.

Bill C-32, to restrain the use of tobacco—Mr. Mather.

Bill C-33, to amend the Criminal Code (preventive detention)—Mr. Orlikow.

Bill C-34, to amend the British North America Acts, 1867 to 1965, with respect to the quorum of the House of Commons—Mr. Knowles.

Bill C-35, to provide for the length of sessions of parliament—Mr. Ryan.

Public Bills

Bill C-36, to amend the Small Loans Act—Mr. Orlikow.

Bill C-37, to amend the Canada Elections Act (political affiliations of candidates on ballot papers) —Mr. Patterson.

Bill C-38, to amend the Criminal Code (cruelty to animals)—Mr. Mather.

Bill C-39, to amend the Criminal Code (trading stamps)—Mr. Howard.

Bill C-40, to establish the office of parliamentary commissioner—Mr. Thompson.

Bill C-41, to amend the Canada Fair Employment Practices Act (age discrimination)—Mr. Saltsman.

Bill C-42, to better assure the public's rights to freedom of access to public documents and information about government administration (administrative disclosure)—Mr. Mather.

Bill C-43, to amend the Criminal Code (provincial lotteries)—Mr. Valade.

Bill C-44, to amend the British North America Act 1867 (abolition of the Senate)—Mr. Knowles.

Bill C-45, respecting the national Indian day—Mr. Brown.

Bill C-46, to amend the Criminal Code (invasion of privacy)—Mr. Mather.

Bill C-47, to amend the Criminal Code (contempt of court)—Mr. Cowan.

Bill C-48, to provide for consumer protection throughout Canada—Mrs. MacInnis (Vancouver-Kingsway).

Bill C-49, to amend the National Capital Act—Mr. Bell (Carleton).

Bill C-50, to amend the British North America Acts, 1867 to 1965, (duration of House of Commons) —Mr. Peters.

Bill C-51, to amend the Food and Drugs Act (listing of ingredients)—Mr. Saltsman.

Bill C-52, to amend the House of Commons Act (internal economy autonomy)—Mr. Howard.

Bill C-53, to provide for the establishment of the Alaska-Yukon highway authority (Alaska highway) —Mr. Thompson.

Bill C-54, respecting the metric system—Mr. Bell (Carleton).

Bill C-55, to amend the Railway Act (responsibility for dislocation costs)—Mr. Fawcett.

Bill C-56, to amend the Criminal Code (harassing telephone communications)—Mr. Mather.

Bill C-57, to amend the Canada Labour (Standards) Code (provision for a ninth general holiday with pay)—Mr. Knowles.

Bill C-58, to amend the Bills of Exchange Act and the Interest Act (off-store instalment sales)—Mr. Orlikow.

Bill C-59, to repeal the Tobacco Restraint Act—Mr. Cowan.

Bill C-60, to provide for the establishment of the Canada disaster fund—Mr. Herridge.

Bill C-61, to amend the British North America Act, 1867 (duration of House of Commons)—Mr. Bell (Carleton).

Bill C-62, to amend the Criminal Code—Mr. Stefanson.

Bill C-63, to amend the Broadcasting Act (television receiving apparatus)—Mr. Prittie.

Bill C-64, to amend the Combines Investigation Act (increased prices)—Mr. Saltsman.

[Mr. Speaker.]

Bill C-65, to amend the Small Loans Act (advertising)—Mr. Orlikow.

Bill C-66, to amend the Criminal Code (tire safety)—Mr. Mather.

Bill C-67, to amend the Judges Act (discontinuation of pension)—Mr. Bell (Carleton).

Bill C-68, to amend the Canada Evidence Act (incriminating statements)—Mr. Orlikow.

Bill C-69, to authorize the government of Canada to enter into negotiations for the creation of an inter-governmental advisory commission—Mr. Mongrain.

Bill C-70, to amend the Criminal Code (modernization of law of picketing)—Mr. Lewis.

Bill C-71, to amend the Bills of Exchange Act (instalment purchases)—Mr. Peters.

Bill C-72, to amend the Canada Labour (Standards) Code (increased minimum hourly wages)—Mr. Knowles.

Bill C-73, to amend the Criminal Code (company-censored housing)—Mr. Orlikow.

Bill C-74, to amend the British North America Act, 1867, (Canadian Bill of Rights)—Mr. Badanai.

Bill C-75, to amend the Juvenile Delinquents Act —Mr. Howard.

Bill C-76, to preserve and promote native Indian and Eskimo arts and crafts—Mr. Howard.

Bill C-77, to amend the Parliamentary Secretaries Act—Mr. Bell (Carleton).

Bill C-78, to amend the Broadcasting Act (political programs)—Mr. Harley.

Bill C-79, to amend the Supreme Court Act (payment of costs)—Mr. Herridge.

Bill C-80, respecting the national fruit of Canada —Mr. Harley.

Bill C-81, to amend the Canada Labour (Standards) Code (notice and payment to employees in case of discharge or lay-off)—Mr. Knowles.

Bill C-82, to amend the Canada pension plan (housewives' contributions and benefit)—Mr. Saltsman.

Bill C-83, respecting royal assent—Mr. Bell (Carleton).

Bill C-84, to secure freedom of choice in television viewing—Mr. McCleave.

Bill C-85, to establish the Canada law reform commission—Mr. Bell (Carleton).

Bill C-86, concerning the labeling of hazardous household products—Mr. Howe (Hamilton South).

Bill C-87, to amend the National Energy Board Act (drainage works)—Mr. Thomas (Middlesex West).

Bill C-88, to amend the Criminal Code (nuisance) —Mr. Herridge.

Bill C-89, to amend the Supreme Court Act—Mr. Bell (Carleton).

Bill C-90, to amend the Public Service Employment Act (appeal panel)—Mr. Bell (Carleton).

Bill C-91, to amend the Broadcasting Act (community antenna)—Mr. Peters.

Bill C-92, to amend the Criminal Code (cruelty to animals and to human beings)—Mr. Klein.

Bill C-93, to amend the Criminal Code (punishment for murder)—Mr. Klein.

Bill C-94, to amend the Criminal Code (publication of ingredients of wonder drugs)—Mr. Klein.

Bill C-95, to amend the Criminal Code (elimination of premium stamps in food establishments)—Mr. Klein.

Bill C-96, respecting observation and treatment of drug addicts—Mr. Klein.

Bill C-97, to amend the Navigable Waters Protection Act (removal of Kitsilano trestle)—Mr. Basford.

Bill C-98, to amend the Navigable Waters Protection Act (prevention of water pollution)—Mr. Basford.

Bill C-99, to amend the Combines Investigation Act (professional sports)—Mr. Basford.

Bill C-100, to amend the Canada Elections Act (political affiliations of candidates on ballot papers)—Mr. Basford.

Bill C-101, to amend the Canada Elections Act (eighteen year old voters and candidates)—Mr. Basford.

Bill C-102, to amend the Financial Administration Act (truth in receiving bill)—Mr. Basford.

Bill C-103, to provide in Canada for the dissolution of marriage—Mr. Basford.

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR TABLING OF CORRESPONDENCE AND STATEMENT ON AGENDA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, regarding this semi-formal federal-provincial meeting to be held in Ottawa on July 5 I would ask the Prime Minister whether he would table the correspondence that has been sent to the various premiers; would he advise what is on the agenda and whether, as suggested in the press, that this was a subject discussed between him and Premier Robarts on the occasion of the opening of Expo? Was the determination of this meeting made then.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall be very glad indeed to table the letters I sent to the provincial premiers in regard to this matter, and I shall immediately ask their permission for that tabling. I should think there would be no difficulty about that, and I will deal with it as quickly as possible. The letter itself will indicate the nature of the meeting. Also the date of the letter will show that it went out some time before I met Mr. Robarts at Expo in Montreal.

Mr. Diefenbaker: Would the Prime Minister say whether there is any prepared agenda, or is this just a kind of handshaking meeting?

Mr. Pearson: I hope it will be a handshaking meeting. Also I hope it will be more than that.

Inquiries of the Ministry

EXTERNAL AFFAIRS

VIET NAM—STATEMENTS RESPECTING CANADA'S POSITION ON CONTROL COMMISSION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the right hon. Prime Minister with regard to his denial of the statements made by Mr. Gerald Clark of the Montreal *Star* and Mr. Tim Ralfe of the Canadian Broadcasting Corporation to the effect that Canadian military personnel attached to the Canadian mission of the I.C.C. in Viet Nam have been passing on information to the United States authorities. Before that denial was issued was any attempt made to get in touch with either of these two gentlemen to ascertain what evidence they have upon which they based their statements?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in answer to that question perhaps I should read the following statement which deals with it. Members of the Canadian delegation in Viet Nam are not engaged in clandestine or spying activities. I repeat that, Mr. Speaker. That was the reply I gave yesterday.

These Canadians, just like the other members of the international truce commission, carry out a quasi diplomatic task which includes observation of local conditions and discussions with the local authorities of both North and South Viet Nam. The Canadians in Hanoi have been working under difficult circumstances now for 13 years, along with Poland and India, and have done and are doing their best to meet their international assignment.

With reference to allegations that the Canadian delegation in Saigon prepares its reports in duplicate with one copy for Ottawa and the other for the United States embassy in Saigon, the Secretary of State for External Affairs stated that the allegations in question are based on pure speculation. The Canadian delegation reports to the Canadian government and the Canadian government only; it is for the Canadian government to decide in the case of these reports, as all others, what use is to be made of them in the course of normal diplomatic exchanges with other countries. Any departure from this procedure would be entirely contrary to established practice, and there is no authority for it.

Mr. Douglas: Mr. Speaker, I have a supplementary question. Has the Prime Minister or

anyone in the Department of External Affairs made any inquiries of the Canadian mission in Viet Nam to secure assurance that no information such as photographs, tape recordings or other information has been turned over at any time by any Canadian military personnel to the United States authorities? Has the government obtained this assurance, or was the denial by the government made before such assurance had been obtained?

Mr. Pearson: The government's denial was made with reference to the allegation that Canadian personnel on the international truce commission were engaged in clandestine activities. I repeat that. As a result of my hon. friend's question of this morning and the reports which have appeared, the whole question is now being exhaustively examined in all its details.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask a specific question so there can be no mistake whatsoever. Was the statement attributed to Tim Ralfe, a reputable C.B.C. man who was there, correct or incorrect when he said that copies of dispatches funnelled through the Canadian headquarters in Saigon were sent to the American embassy even before they were transmitted to our external affairs department here in Ottawa? That is the simple question. It is not answered by a statement that we have no spies. We know we have no spies. Is that a true statement?

Mr. Pearson: Mr. Speaker, I dealt with that in the statement I just made.

Mr. Diefenbaker: No, Mr. Speaker. I suggest to the Prime Minister that the question he will not answer is a very simple question.

[*Translation*]

CANADIAN BROADCASTING CORPORATION

QUEBEC—STATEMENT RESPECTING PROPOSED CENSORSHIP

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the hon. Secretary of State.

Can the hon. minister tell us whether she has received from the Quebec government recommendations asking to "block the present tendencies" towards television programs being broadcast by the C.B.C. which are morally injurious, in order to enable the Quebec province to better censor the films shown in theatres?

[Mr. Douglas.]

Hon. Judy V. LaMarsh (Secretary of State): I do not think so.

[*English*]

NATIONAL DEFENCE

NATO—POSSIBLE WITHDRAWAL OF CANADIAN ARMED FORCES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to ask the Minister of National Defence a question I believe to be of the utmost importance. I am sure we all agree that no armed forces commitments should be made without the knowledge of this house.

In view of the decision of the United Kingdom and United States governments to reduce by some 35,000 their military personnel in Europe under NATO commitments, will the minister inform this house as to Canada's position regarding the withdrawal of armed forces from Europe? What presentation is being made at this time on behalf of Canada by the Associate Minister of National Defence at the high level conference now taking place in Europe? I think that is the urgent part of this question.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, this meeting was called to review the work of defence planning groups which have been studying various contingencies within the NATO framework for a number of months under the direction of ministers, and to provide an opportunity for the ministers to give further guidance to the defence planners.

In so far as future commitments are concerned, they will be made known to the NATO planners by the individual member countries later this year. The principle being adopted is to give an indication five years in advance of what are the plans of the countries then to make commitments on a yearly basis in advance. The Canadian government will be studying what might be the appropriate contribution for this country, and I assume there will be further discussions in this regard in the house. Perhaps when the national defence estimates are being considered that might be an opportune occasion to discuss what might be appropriate for us to do in the years ahead.

Some time later this year, before the ministerial meeting in December, we will make known to NATO what we will commit for the year ahead and what our plans are for a five year period.

Mr. Winch: In view of the statement just made by the minister let me ask him this important and specific supplementary question. Will the House of Commons be given an opportunity to discuss what our commitments should be before there is any *fait accompli* in this regard?

Mr. Hellyer: As I just suggested, Mr. Speaker, when the defence estimates are being considered—and I hope that will be sometime within the next two months before the summer adjournment—there will be a full opportunity to discuss the roles and missions of our forces for the years immediately ahead. I think this would be the best available opportunity for members on all sides of the house to give the government an indication what they think would be an appropriate policy for Canada for the next five years.

Mr. Winch: I should like to ask a further supplementary question, Mr. Speaker. In view of what he has now stated, will the minister indicate the government's views to the committee on defence in order that they may be considered?

Mr. Speaker: Order.

CANADIAN NATIONAL RAILWAYS

REPORTED INTENTION TO REDUCE TRANSCONTINENTAL PASSENGER SERVICE

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I have a question for the Minister of Transport. In view of an alleged report that the C.N.R. may eliminate or drastically alter transcontinental passenger services, will the minister give us an assurance that no such drastic change in present rail service will be made until this whole question is fully considered by the house?

Hon. J. W. Pickersgill (Minister of Transport): I know nothing of any such rumour, Mr. Speaker, and I think I should investigate it before giving any assurances.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, will the minister make it clear to C.N.R. officials that such a move would be against the wishes of the transport committee, which performed a very effective job in this regard?

Mr. Speaker: Order, please. I am sure hon. members recognize this as a hypothetical question.

NATIONAL REVENUE

REPORTED DENIAL OF ENTRY TO CERTAIN BOOKS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of National Revenue and ask whether his department has adopted a new policy of censoring books, and forbidding the importation of certain books because of their contents.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): There has been no change in our policy, Mr. Speaker.

Mr. Orlikow: I should like to ask the minister whether the reports are incorrect that certain books have been forbidden entry into Canada.

Mr. Speaker: Order, please. This question cannot be asked at this time.

AGRICULTURE

INQUIRY AS TO MEETINGS OF FEED GRAIN AGENCY

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I should like to address a question to the minister of forestry. May I inquire whether the members of the feed grain livestock agency have held any meetings, and when they will be in a position to accept briefs or representations from the grain trade.

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): They had a meeting, Mr. Speaker, on April 25 and 26. The office in Montreal will be opened some time this month, and they are already in a position to accept any briefs or submissions from interested parties.

FISHERIES

BRITISH COLUMBIA—PROPOSED SALMON FISHING BOUNDARIES

On the orders of the day:

Mr. D. W. Groos (Victoria (B.C.)): Mr. Speaker, I have a question for the Minister of Fisheries. Has the minister received telegrams from the fishery associations of British Columbia and B.C. Packers protesting the department's contemplated closure of area 19 and part of area 20 to commercial salmon fishing? That is my first question. I think I have a supplementary.

Inquiries of the Ministry

Mr. Speaker: Order, please. If that is the only thing the hon. member wishes to ask, his first question is unacceptable.

Mr. Groos: Then may I rephrase my question and ask the minister whether there is any doubt that the closure of salmon fishing in area 19 and part of area 20 in the straits of Juan de Fuca is still in fact to take place, in view of the representations he has received from the commercial, sports and wildlife preservation societies in British Columbia?

Hon. H.-J. Robichaud (Minister of Fisheries): Yes, Mr. Speaker, I did receive a telegram from the sports organization claiming that the closure of the areas mentioned does not go far enough. I also received a telegram from the fisheries association stating that it is going too far, so I can say there is a conflict between the two groups. The matter is under consideration at the present time.

[*Later:*]

Mr. G. L. Chatterton (Esquimalt-Saanich): I should like to direct a question to the Minister of Fisheries apropos the question asked by the hon. member for Victoria (B.C.) with regard to the apparent conflict between net fishermen, troll fishermen and sports fishermen. Will the minister refer this matter to the fisheries committee so they may go out to the Pacific coast and hear evidence from these groups with a view to finding an equitable division of the resources?

[*Translation*]

EXPO '67

REPORTED UNDERWORLD CONNECTIONS OF ASSOCIATED FIRMS

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, my question is addressed to the Minister of Justice and Attorney General.

Further to the charges made by Mr. Claude Wagner, a member of the Quebec legislative assembly that the Mafia has infiltrated the world's fair is the minister prepared to get in touch with his colleague responsible for Expo in order to check the truth of these statements and recommend that the necessary steps be taken by whoever may be concerned?

Mr. Speaker: Order. It seems to me that the hon. member is repeating a question that has already been asked.

Mr. Grégoire: Mr. Speaker, a supplementary question.

[Mr. Groos.]

Mr. Speaker: There can be no supplementary question, the first question having been ruled out of order.

Mr. Grégoire: In that case, another question on the same subject, Mr. Speaker.

Mr. Speaker: I have already recognized the hon. member for New Westminster (Mr. Mather).

[*English*]

CANADIAN CENTENNIAL

INVITATION TO U.S. PRESIDENT TO ATTEND CEREMONIES IN OTTAWA

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, if I may I should like to address a question to the Prime Minister. Can the Prime Minister say whether his attention has been called to news reports to the effect that President Johnson of the United States has so far failed to acknowledge Canada's invitation to him to attend centennial ceremonies in the national capital? If these reports have been drawn to the attention of the Prime Minister, does he propose to make a statement on this matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the President has indeed acknowledged our invitation and has expressed the hope and expectation of visiting Canada and Expo during our centennial year. Two dates were put forward. One was the latter part of May—I think it was May 25 that he would arrive—and I think the other was toward the end of July or August. I have not the exact dates in mind. It had been hoped he would be able to accept the earlier date, but I understand that is not now possible and we expect him to be here on the later date.

TRANSPORTATION

MARITIME PROVINCES—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is for the Minister of Transport. Because of the thunderous silence of the throne speech on this point, would the Minister of Transport assure that legislation relating to maritime transportation will be dealt with in this centennial session?

Hon. J. W. Pickersgill (Minister of Transport): I could not possibly give such an assurance, Mr. Speaker. It would be very presumptuous on my part to say what this house would deal with.

[*Translation*]

LABOUR CONDITIONS

INQUIRY AS TO PROVISION OF SUMMER JOBS FOR STUDENTS

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Could the minister tell us whether his department is considering the possibility of establishing a special program in order to help students in urgent need of money who are looking for a summer job?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I am not aware of any special study in that connection. However, I know that our manpower centres are making every effort to find jobs for students.

[*English*]

FINANCE

ALLEGED CONTRADICTION BETWEEN BANK ACT AND BANK OF BRITISH COLUMBIA ACT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the parliamentary secretary to the Minister of Finance. I apologize for not giving him notice, but the question is quite simple. Has the attention of the parliamentary secretary been drawn to the contradiction between the Bank Act and the Bank of British Columbia Act, which is causing some furore in British Columbia at this time?

Mr. Speaker: Order, please. I doubt very much that this question is in order. I cannot accept it.

Mr. Herridge: Mr. Speaker, this matter is causing a lot of difficulty and comment in British Columbia at the present time.

Mr. Speaker: The hon. member is causing me a lot of difficulty.

Some hon. Members: Oh, oh.

Mr. Speaker: I suggest to the hon. member that the question cannot be asked at this time.

COAL

ALBERTA—NEGOTIATIONS RESPECTING FREIGHT RATES ON SHIPMENTS TO JAPAN

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I would like to ask the Minister of

Transport a question. I refer him to page 18 of *Hansard,* where two days ago he undertook that in the course of the next day or two he or the Minister of Energy, Mines and Resources would make a statement in reference to the negotiations with the C.P.R. and the coal operators in Alberta with respect to the export of coal to Japan. Has he any statement to make today?

Hon. J. W. Pickersgill (Minister of Transport): Great progress has been made in this matter even today. Possibly tomorrow I hope to be able to be a little more explicit in the matter, but I can assure the hon. gentleman that in respect of the one company which has negotiated a long term contract, great progress is being made.

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, is it the view of the minister that the negotiations which are taking place will be concluded without the need for a government subsidy?

Mr. Pickersgill: Mr. Speaker, there is a well known rule that you should never count your chickens before they are hatched.

Mr. Kindt: One often does, and I would like to state that the people are waiting for the information.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHAMPIONSHIP AMATEUR HOCKEY TEAM

On the orders of the day:

Mr. Patrick-T. Asselin (Richmond-Wolfe): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare.

I should like also to take this opportunity to draw attention to the presence in the gallery of a delegation from the Drummondville Eagles, winners of the Allan Cup.

Some hon. Members: Hear, hear.

Mr. Asselin (Richmond-Wolfe): This city is located in the eastern townships.

I would ask the minister whether he intends to convene soon a federal provincial conference on amateur sports in Canada.

Mr. Speaker: I think the question is an excuse for the statement and I do not think it is in order.

Inquiries of the Ministry

[*English*]

LABOUR CONDITIONS

REQUEST FOR MATERNITY PROTECTION FOR FEMALE WORKERS

On the orders of the day:

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, yesterday I gave a brief progress report in reply to the question asked on April 17 by the hon. member for Vancouver-Kingsway as to when the government proposes to ratify the maternity protection convention passed by the I.L.O.

The convention in question establishes the right of mothers to get maternity leave without losing their jobs and to collect cash and certain medical benefits to be provided out of public funds or by means of a system of insurance. It does not specify the methods by which its requirements should be implemented by the ratifying nations. Since the convention is deemed to be partly within the authority of this parliament and partly within the authority of the legislatures of the provinces, ratification can only be envisaged when effect is given to the convention by legislation in the provinces.

Mr. Speaker, only two provinces have laws allowing maternity leave and forbidding dismissal because of pregnancy. The legislation in two other provinces provides for regulations to be adopted in the matter but that is as far as they have gone. Consequently, the laws of those two provinces are not yet operative. We favour ratification and are working toward making it possible.

Mrs. Grace MacInnis (Vancouver-Kingsway): Would I be in order, Mr. Speaker, to inquire which provinces those are?

Mr. Speaker: I am afraid not.

SHIPPING

CHURCHILL—REQUEST FOR ACTION TO LENGTHEN SEASON

On the orders of the day:

Mr. Robert Simpson (Churchill): I should like to direct a question to the Minister of Transport. In view of the numerous requests that have been made over the years for a longer shipping season for the port of Churchill, can the minister assure the house that his department is aware of the desirability of this action?

Hon. J. W. Pickersgill (Minister of Transport): I am very much aware of it, sir. I went and looked at Hudson strait recently myself to see if something could not be done about it.

Mr. Simpson: May I ask a supplementary question, Mr. Speaker. Can the minister then say what was the basis for the reply he is reported to have given during his recent visit to Churchill when he was asked if his department could not do something about it? He is reported to have said that they would if it were brought to their attention; "I am quite sure they would."

Mr. Pickersgill: It was right after that interview I went to look at Hudson strait.

Mr. Speaker: Order, please.

TRANSPORT

PRAIRIE RAIL NETWORK GUARANTEED AGAINST ABANDONMENT

On the orders of the day:

Mr. Ed. Schreyer (Springfield): May I address a question to our good humoured Minister of Transport. Has the minister been made aware that the order in council passed last month which sets out the prairie rail network guaranteed against abandonment departs in a significant degree from the announcement the minister made?

Hon. J. W. Pickersgill (Minister of Transport): I am not only aware of it but my face is very red indeed. The mistake has been corrected or, at least, I have asked my colleagues to correct it. I am confident they will do their best to make an honest man of me.

Mr. Schreyer: I should like to ask the minister if it is the intention to pass a supplementary order in council or a relieving order in council.

Mr. Pickersgill: Yes, it would require an amending order in council. Speaking quite seriously, I am regretful about this error. I take all the blame myself because I did not compare the recommendations with the map carefully enough. It does sometimes happen that when there are these recommendations which contain a lot of detail, it is assumed they are in order but sometimes they are not. I take all the blame. If the error has not actually been rectified I have enough confidence in my colleagues that I feel sure it will be.

Mr. Thomas M. Bell (Saint John-Albert): In connection with this whole matter of the new transport commission, I should like to ask the

minister if he has made any appointments as yet, and if not why not?

Hon. J. W. Pickersgill (Minister of Transport): I believe, sir, this question does have an element of urgency. The commission has not yet been set up because there is a little problem of finding some place for them to rest their heads. There is also the very complicated problem of the drafting of the rules. I am making the life of the Minister of Public Works miserable trying to get quarters for the commission. Great progress has been made in the drafting of the rules. Meanwhile part V containing the amendments to the Railway Act, which I think were the most urgent of all, is in operation.

[*Translation*]

ADMINISTRATION OF JUSTICE

INDEMNIFICATION OF FAMILIES OF VICTIMS OF CRIMINAL ACTS

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to put a question to the hon. Minister of Justice and Attorney General.

Since a number of honest citizens think that our society makes many efforts to improve the lot of criminals, I should like to ask the minister the following question.

Is he giving consideration to setting up or interesting the provinces in setting up a program of compensation for crime victims of the families of crime victims?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, this question has also been raised by certain correspondents. I am studying the problem at the present time. As the hon. member is aware, there is also here a question of constitutional law, for such compensation could come from the provinces instead of the central government. However, in that case, negotiations could be undertaken with the provinces.

[*English*]

NATIONAL PARKS

BANFF—PROTEST RESPECTING LEASING POLICY

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): The other day I asked the Minister of Indian Affairs and Northern Development, who answers in this house for the national parks, if he had received a petition signed by 324 residents of the Banff area objecting to the lease policy of the department. At the time he said he had not received it. Now that there has been a sufficient lapse of time to allow him to receive it, has he anything to report to the people of Banff and to the house concerning this matter?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Well, Mr. Speaker, I made inquiries yesterday and it still had not arrived. I think the hon. member should send over the copy he asked to have sent to him.

Mr. Kindt: I will be delighted to do so. My colleague has just informed me that he too has a copy.

WINTER WORKS

REQUEST FOR EARLY ANNOUNCEMENT OF 1967-68 PROGRAM

On the orders of the day:

Mr. Jack A. Irvine (London): I should like to direct a question to the Minister of Manpower and Immigration. I am wondering when the minister might be prepared to announce the plans of his department respecting the winter works program for the year 1967-68.

Mr. Speaker: Order. I am wondering whether the matter is so urgent that the question should be asked at this time. I have serious doubts about it.

Mr. Irvine: On the point of order, Mr. Speaker, this is very important because the municipalities must make their plans and set up their budgets for this purpose. I believe on that basis it is very important the announcement should be made right away.

Hon. Jean Marchand (Minister of Manpower and Immigration): I believe last year the announcement was made during the course of the month of July. I am hoping that this year it will not be later than that.

Mr. Speaker: In view of the minister's reply I am confirmed in my suggestion the question should be on the order paper.

FINANCE

REQUEST FOR ACTION ON TARIFF BOARD REPORT CONCERNING WIRE NETTING

On the orders of the day:

Mr. P. V. Noble (Grey North): I should like to direct a question to the Minister of Finance,

relating to information I received on January 19 last. Has the minister anything to report on the disposition of the tariff board recommendation with respect to wire netting?

Mr. Speaker: Order. I believe this question should be placed on the order paper.

[*Translation*]

INQUIRY AS TO REDUCTION IN FEDERAL INTEREST RATE

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, my question is directed to the hon. Minister of Finance.

Can the minister tell us, since the average yield of the federal government short-term bonds is less than 4½ per cent, if therefore any ceiling imposed on the interest rates which can be charged by the chartered banks has been removed?

Mr. Speaker: I suggest that the hon. member's question could easily be discussed during the debate on the motion for adjournment.

Mr. Grégoire: Mr. Speaker, I rise on a point of order. It is quite conceivable that this matter could be discussed during the debate on the adjournment motion. However, the Minister of Finance (Mr. Sharp) was still listening to the translation.

Mr. Speaker: The decision with regard to a question put by an hon. member is taken by the Chair and not by the minister.

[*English*]

INDIAN AFFAIRS

REQUEST FOR STATEMENT ON OFF-RESERVE HOUSING PROGRAM

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Indian Affairs and Northern Development. Can the minister tell us what is the position with respect to the details of the off-reserve housing program for Indian people, which was approved in principle by parliament shortly before the end of the last session?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): I would hope that might be done almost at once. There have been a couple of details which have held it up unduly or it would have been announced before this.

[Mr. Noble.]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Ralph Cowan (York-Humber): I have a question I should like to address to the Secretary of State. Should not the member for Burnaby-Coquitlam and the right hon. gentleman from Prince Albert have been advised earlier, when they were asking about the antics of the C.B.C., that it is useless to make inquiries in that regard because the C.B.C. is accountable to no one for anything it does?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, that is a very interesting proposition.

[*Translation*]

CANADIAN CENTENNIAL

INQUIRY AS TO PROPOSED VISIT BY PRESIDENT DE GAULLE

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

After his recent meeting with the French authorities, is the minister in a position to confirm the forthcoming visit to Canada of President Charles de Gaulle and inform us of his itinerary.

Hon. Paul Martin (Secretary of State for External Affairs): I am not in a position to give an answer at this time, but I can say that that matter was discussed during my meeting with the French minister of foreign affairs.

[*English*]

LABOUR CONDITIONS

KETTLE VALLEY RAILWAY—REPORTED LACK OF SAFETY EQUIPMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Labour. I apologize for not giving him notice, but the matter has just come to mind. Has the minister received representations from the rank and file—not the leadership of the union—of the operating crews on the Kettle Valley railway urging the need for improved safety equipment, stretchers and other things which at present are not supplied, thus contributing to the dangerous conditions under which they operate?

Mr. Speaker: Order. I am wondering whether the hon. member is seriously suggesting that this question is acceptable now.

If he is, then I will allow the minister to reply.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, all I can say at this time is that I will have to take the question as notice.

FINANCE

PROVISION AGAINST LOSS OF PRINCIPAL INVESTED IN FEDERAL BONDS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the fact that many members of the House of Commons are being deluged with correspondence about the loss of principal invested in what I understand are called federal government perpetual bonds, is any action contemplated by the minister to ensure that in future investment in government bonds will not result in any loss of principal?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have made a number of statements on this matter. I have nothing to add, save that there is no safer investment in this country than investment in Canadian government bonds.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, May 10, consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, my first words are words of congratulation to the mover and seconder of the address in reply to the speech from the throne. Both did themselves, their constituencies and their party proud by the able manner in which they moved and seconded the address in reply. Both dealt very cogently with subjects with which they were entirely familiar.

I wish they had written the speech from the throne, Mr. Speaker. The speech from the throne is a lengthy one. Its length is in inverse proportion to its content. It seems to have used its verbosity to cover up its scarcity of ideas. There are a great many clichés, much purple prose, but very little in the way of specifics. The government is going to conduct studies, it is going to call conferences, it is going to submit white papers to the house, but there is very little to tell the Canadian people what the government specifically proposes to do about some of the major crises that are facing this nation.

I had hoped, Mr. Speaker, that in this centennial year the speech from the throne would have been a call to action to the Canadian people, that it would have been a document that challenged the Canadian people to enter Canada's second century with their heads high and with a firm determination to make the second century of confederation an even greater one than the first. Instead we have this pallid document largely consisting of a lecture in history and a collection of long term dreams and hopes.

This is probably exemplified best by the fact that the government says very little as to what it is going to do about Canada's constitution. For years the government has talked about patriating the constitution, about bringing it into line with the needs of our day and generation. The government no longer talks about patriating the constitution or bringing it up to date. The Minister of Justice (Mr. Trudeau) now wants to embalm the constitution, to put a little rouge on it and dress it up. But it will still be dead.

That brings me, Mr. Speaker, to the amendment moved by the right hon. Leader of the Opposition (Mr. Diefenbaker). We certainly agree with the first part of that amendment which points out the necessity for dealing with the constitution in this, our centennial year. However, we feel that calling a constitutional conference will have very little value unless before that conference is called parliament has had an opportunity to agree on the specific areas which must be dealt with so we can put before such conference specific proposals. The members of this party have been advocating for years that an all-party parliamentary committee be set up to study the constitution and that we invite the legislatures to do the same so that out of these discussions involving all sections of the Canadian people the government might then be able to promulgate changes in the British North America Act which could be submitted to a federal-provincial constitutional conference.

I am going to move a subamendment which will incorporate that idea. The subamendment I will move, seconded by the hon.

member for Comox-Alberni (Mr. Barnett), is as follows:

That the motion moved by the right hon. Leader of the Opposition be amended as follows:

By striking out all the words after the words "centennial year" in the fourth line thereof, and adding the following thereto:

"And has failed to prepare and present to this parliament proposals for amendment to the constition of Canada as a necessary preliminary for a national constitutional conference, and has failed to make the proposals necessary

(1) to set out the legislative powers of parliament necessary for the maintenance of an effective confederation;

(2) to provide an appropriate special status for the province of Quebec;

(3) to provide for a constitutional Bill of Rights;

(4) to provide for the patriation of the Canadian Constitution."

• (11:50 a.m.)

In this our centennial year there are many things of which the Canadian people can be proud. Ernest Renan once said that "a nation is a body of people who have done great things together in the past and hope to do great things together in the future." I think this is a good definition of Canada. This nation has done great things in the past. We and our forefathers have built in the northern half of the North American continent a great nation. Our forefathers cleared the forests, tilled the virgin soil, built their homes, churches, schools and hospitals, built roads, canals, a great railroad system, an inland waterway, built industries and made Canada one of the great trading nations of the world. We can be proud of what this country has done in the past.

The question facing this parliament today is: What are we going to do together in the future? We in this party believe that Canada as it enters its second century must set for itself social and economic goals and must call on the Canadian people to rally together to bring about the achievement of those goals. The New Democratic party believes that if we are to make our second century an even greater one than the first the governments of this country, particularly the federal government, must play a more effective and dynamic role in the social and economic affairs of Canada. This does not imply the imposition of restrictions, the erosion of freedom or the loss of private initiative and enterprise. On the contrary, through our democratically elected governments we Canadians can broaden our freedom, provide increased opportunities for our people and assure higher standards of living. Above all, we can impart a new dimension to our national life.

[Mr. Douglas.]

I am sure those who have visited Expo '67 must be proud of this great accomplishment.

Some hon. Members: Hear, hear.

Mr. Douglas: It demonstrates what Canadians can do given participation by all levels of governments and all sections of the community.

The role of government has always loomed large in Canada's history. In 1867 the setting up of confederation was a political act in defiance of geography. It called for government intervention and for government direction. The national policies on tariff protection for infant industries, western land and resource development, the building of an east-west railroad, the building of a water transport system, and later the building of the greatest inland seaway in the world, all called for far reaching political decisions. The depression period compelled even reluctant governments to intervene in the economy in order to combat the waste of unemployment, to control the issue of currency and credit through a central bank, to control monopolies and to provide a more equitable distribution of income by fiscal policies and a greater measure of social security through a system of family allowances and the Canada Pension Plan. And now we are to have medicare.

In spite of those who talk about laissez faire economics, we have developed and are developing in Canada a mixed economy in which government enterprise at all three levels of government, private enterprise and co-operative enterprise are working together for the benefit of the people of this country.

As we move into our second century we must clarify what the role of the federal government is to be. The need now is for more dynamic and creative government leadership in social and economic affairs. There has been a failure on the part of this government to fulfil its well-established responsibilities. Even worse has been its dismal inertia in facing the challenges of a rapidly changing world. The performance of the Canadian economy has lagged far behind its potential capacity. Let me give the house a few indications of the extent of this failure: (1) Recurrent heavy unemployment; (2) slow rate of growth in our per capita income; (3) successive spurts of inflation and price increases; (4) periodic international imbalance of payments; (5) mushrooming foreign ownership and increasing foreign control of the Canadian economy; (6) regional disparity of income and economic growth.

Some of these factors are due to external forces beyond our control but most of them are cases where the responsibility can be traced to the weak policies of the government and its reluctance to intervene in the economy with the necessary vigour, imagination and long range common sense.

If we are to progress as a viable and expanding nation in Canada's second century there are seven goals which we believe the government and the parliament of Canada should set for this nation. In the time at my disposal I can mention them only briefly. First, there must be greater economic growth and increased productivity. The Economic Council of Canada points out that between 1957 and 1965 Canada fell $21 billion short of its potential production. That is $1,200 per capita or $6,000 for a family consisting of a husband and wife and three children. Had we been able to maintain across Canada the same unemployment rate in 1966 as obtained in the province of Ontario, 2.4 per cent of the labour force, we could have increased Canada's wealth production by $650 million.

The O.E.C.D. report points out that the output per man employed in Canada from 1960 to 1965 was lower than in any other member nation except Great Britain where the figure was 2.5 per cent. In Canada it was 2.6, in the United States, 2.9 and in Japan 8.3. The average for all the O.E.C.D. countries was 3.7 per cent. Had we had that rate of economic growth the increased wealth production would more than have paid for all the economic programs that the Minister of Finance (Mr. Sharp) said would cost $900 million when we proposed them in the house during the last session of this parliament. In 1965 Canada's gross national product increased in real terms by 6.9 per cent. However, in 1966 it increased by only 5.9 per cent. That is a loss of over $500 million of wealth we did not create, wealth we did not enjoy.

• (12 noon)

The second goal we must set for ourselves is full employment because only by full employment can we hope to have adequate incomes for the great mass of the Canadian people. The Economic Council of Canada says we must keep our unemployment figure to a maximum of 3 per cent. It is now running around 4 per cent, and most economists are predicting that this year it will be about 4½ per cent. The last figures obtained, I think on March 18, show 400,000 unemployed in this country, with unemployment in some areas much worse than in others. The government is not grappling with this problem.

The training and retraining program is ineffective. The Minister of Manpower and Immigration (Mr. Marchand) has already built for himself a bomb-proof shelter against future attacks by saying that we must depend on the provinces to supply the training facilities. By loading on the provinces the responsibility for upgrading educational qualifications of unemployed persons, and by making the provinces responsible for supplying the facilities for vocational training and retraining, the government has put the major part of the burden on the provinces and now hopes to evade its responsibility. I warn members of the government that the people of Canada will not allow them to evade their responsibility in this manner. It is a disgrace in a country which needs homes, schools and hospitals, which needs reforestation and anti-pollution measures, that we should have 400,000 unemployed persons at any time of the year.

The third goal we must set for ourselves is price stability. Where economic growth has been experienced inflationary pressures have stolen back from people some of the gains they have made. Every once in a while the Minister of Finance assures us that the economy is cooling off. It is cooling off because we have deprived old age pensioners and other people on fixed incomes of part of their real income. Every time the cost of living goes up their standard of living goes down. We are cooling off the economy at the expense of the section of the economy which is least able to carry the burden.

Some hon. Members: Hear, hear.

Mr. Douglas: In its annual review the Economic Council of Canada said that we must set 2 per cent as the maximum increase in prices per year. In 1965 prices went up 2.8 per cent and in 1966 4.6 per cent. According to the figures which came to our desks just this morning the price index rose from 143.2 in April, 1966, to 147.8 in April, 1967, an increase of 4.6 points.

This, Mr. Speaker, is the most inequitable form of taxation. Inflation puts its hands into the pockets of the people and takes $4.60 out of every $100 from their savings accounts, from their insurance, from their pay cheques and from their old age pension cheques.

The government has been content to depend on the Keynesian techniques of monetary and fiscal policies. We believe those policies by themselves are not sufficient and that

there must be a broad spectrum of policies to maintain a proper relationship between production and price levels. That is why I suggest as a start that we ought to set up a prices review board which would make it possible for the government, parliament and the country to know specifically the reason for the increases in prices, to know how much is due to increased prices of raw materials, how much is due to increased wages, how much is due to increased profits, what are the pressures that are causing the increase in the cost of living, and who is responsible. Knowing who is responsible, parliament then would be in a better position to cope with the situation.

The fourth goal which we suggest for Canada's second century is that there must be social equality for all Canadians and a more equitable distribution of our national income. There is little value in talking about increased wealth production if a disproportionate share of that income goes to the "haves" while only a few crumbs are allowed to trickle down to the great mass of the Canadian people.

Our distribution of income has varied very little over the years in spite of our so-called affluent society. In 1951, 16 years ago, the bottom 20 per cent of our population got 4 per cent of the national income. By 1963 the bottom 20 per cent of our income earners got only 4½ per cent of the national income. They were only half of one per cent better off, but in that same year the top 20 per cent of income earners got 42½ per cent of our total wealth production or almost ten times as much. Eighteen per cent of the non-farm families live on less than $2,000 a year and 29 per cent of the non-farm families live on less than $3,000 a year. If we add the farm families we will find that in this country 40 per cent of the people are living either in poverty or on the verge of poverty.

What has happened to the war on poverty that the government trumpeted about in previous throne speeches? Has an armistice been declared? Has the war ended? Who has won the war? The government makes a great deal of fuss about it, but nothing happens. The Chinese have a proverb which says there is a great deal of noise on the staircase but nobody comes into the room. That is exactly what is happening with respect to the war on poverty. There are still 40 per cent of our people living in desperate straits in this land of ours.

The government has to do something about this problem. I noticed that in the speech made by the Deputy Governor General winding up the last session the government boasted about the fact that under the new Canada Labour (Standards) Code working conditions have been improved. Why does the government not tell the Canadian people that because of its dilatoriness, because of its supineness, 95 per cent of the workers who come under federal jurisdiction are not getting any benefit from the national labour code. If we are to have a better distribution of national income, labour legislation must affect 100 per cent of the workers who are supposed to benefit from it.

There must be income support measures for farmers and fishermen, and at this point I want to mention the fact that there are things the government can do for farmers and fishermen that would not cost it a nickel. For 40 years the co-operatives in this country have been asking for legislation on co-operatives. For the last four years the government has been promising at every session to bring down a co-operatives bill.

We are repeatedly told the matter is being studied, the matter is before a committee, the matter is being looked into, but the government has not yet produced a co-operatives bill. I want to tell members of the government they are going to get no peace until they do produce a bill. Private corporations can organize and register on a federal basis and do business all across Canada. Why cannot the co-operatives be allowed to do the same thing? It is because the government lacks the initiative to bring down the necessary legislation.

If we are going to improve the distribution of income in Canada we must improve minimum wages, we must provide for price supports for farmers and fishermen and, Mr. Speaker, we must have programs to deal with drop-outs, unskilled people, so that we can put every able-bodied person in Canada to work to help increase our productivity and to provide them with an adequate income.

• (12:10 p.m.)

If we are to deal with the problem of poverty in this country there must be an increase in the old age pension across the board for all old age pensioners, without any means test. The so-called guaranteed annual income which has given some of the old age pensioners an additional $30 a month has resulted in a situation in which the federal government is giving the money with one hand and the

provincial government is taking it away with the other hand by reducing the provincial government supplementary old age pension contribution. If we are to improve the lot of those in the low income brackets in this country medicare should be brought into operation much sooner than July 1, 1968. If the Minister of Finance last year had any excuse—and I do not think he had—for postponing medicare because of the threat of inflation that threat now is gone. There is no longer any reason for delay. Under the act the government has the authority to introduce medicare by July 1 this year or at the very latest January 1, 1968.

The fifth goal is better allocation of the wealth which we produce. The keynote of this second century should be equal opportunity for every Canadian irrespective of where that Canadian may reside. It is not enough to raise individual incomes. We must also improve the social amenities by providing better schools, better hospitals, better homes and better recreational facilities. We must have clean air and clean water.

I suppose there is no question before the Canadian people today which is so demanding of attention as housing. Housing now has reached the proportions of a national crisis. The Economic Council of Canada says that it will be necessary to build 170,000 new houses every year just to hold our own. That will not cut into the backlog of the half a million families who are living in substandard housing in Canada or the 20 per cent of the homes in Canada which have only primitive toilet and bathing facilities. To meet the needs of the Canadian people we ought to be building at least 250,000 houses a year in order to keep pace with the annual demand and reduce the backlog of substandard housing. The other day the minister told us that the best we can hope for is 150,000 to 155,000 housing starts this year. We not only need houses but we need them at a price which people in the middle and lower income brackets can afford to pay.

Some hon. Members: Hear, hear.

Mr. Douglas: Some of my colleagues will be having more to say about this in greater detail as the debate progresses.

The sixth goal is that we must have greater Canadian control over the Canadian economy. No one denies that foreign investment has benefited Canada, particularly in securing technological and managerial skills. But we have reached the stage today where some 67 per cent of the major segments of our economy are in the hands of foreign investment. We have reached the stage where the decision-making power which affects our daily lives and our economic expansion is in the hands of investors outside this country. The government as usual is playing the role of "Mr. Facing Both Ways". The President of the Privy Council (Mr. Gordon) is going around the country making speeches in which he mentions the danger of foreign investment. The Minister of Forestry and Rural Development (Mr. Sauvé) is going around the country making speeches in which he says there is no danger in foreign investment, that foreign investment is fine and we need more of it. It may be a marvelous political attitude to be all things to all men, but surely the time has come when we ought to know what this government is going to do about the increase in foreign control of our economy.

The government says there will be a task force to prepare a white paper and that it will be headed by the President of the Privy Council. The President of the Privy Council was appointed by a previous Liberal government to head up a royal commission on Canada's economic prospects. He made a full report in that regard. He also wrote a book entitled "Whither Canada". He is supposed to be an authority. Why do we need another study and another white paper? Does the government not have a policy? It pretended it had a policy when it faced the electorate during the elections of 1962, 1963 and 1965. We have reached the crossroads in Canada. We have reached the point where we are losing the decision-making power in respect of decisions which will affect our future welfare and development. We have come to the place where the interest and dividends on past investment are affecting our balance of payments. Retained earnings are now pyramiding our indebtedness. As we enter our second century we ought to ask ourselves who will own Canada by the year 2067? How much of Canada will our children and their children own, control and direct?

We are reaching the point in Canada where the decisions concerning whether our economy is to increase, stagnate or expand are not being made by the government or by parliament but by foreign corporations outside the boundaries of Canada. The making of economic decisions also has some effect of course, upon the making of political decisions. There is no doubt that the timidity of this government in matters pertaining to foreign policy

is a direct reflection of the economic control which already is exercised on this country by the United States.

For years members in all parties of the house have paid lip service to the idea of recognizing mainland China and voting for its admission to the United Nations. Why does the government not do this? It will not do it because it does not want to incur the displeasure of the United States government. There is no doubt in my mind about that.

Our policy in respect of Viet Nam is one of timidity and hesitation which the Prime Minister (Mr. Pearson) calls quiet diplomacy. It is a policy of neutrality under which last year we sold $318 million worth of armaments to the United States, one of the combatants. When Pakistan and India were fighting we stopped shipments to both sides. When Turkey and Greece were fighting over Cyprus we stopped shipments to both sides. When Israel and Egypt were fighting we stopped shipments to both sides. We have sold armaments to the United States with no assurance that they are not being used in Viet Nam. In Washington they have their hawks and doves and in Ottawa we have our parrots.

I say to the government that we must have something much more satisfying than the denials we have had from the Prime Minister and the Secretary of State for External Affairs (Mr. Martin) regarding the serious accusations which have been made by Mr. Gerald Clark of the Montreal *Star* and Mr. Tim Ralfe of the Canadian Broadcasting Corporation. They are highly reputable and highly regarded correspondents, and when they state they are convinced that films, tape recordings and information of an important military nature are being passed on to United States authorities by Canadian military personnel attached to the Canadian delegation to the international control commission, this warrants a full investigation. It is not enough for the Prime Minister to rise and say there are no spies. I do not think anyone has said there are spies.

• (12:20 p.m.)

What we want to know is whether or not Canada's role as a neutral in Viet Nam is being undermined. We want to know whether or not our honour is being impugned and whether or not any official or officials connected with the Canadian delegation are passing on information to one of the combatants in this very unhappy and undeclared war. If the government is serious about this situation it should bring in a motion to send this matter immediately to the parliamentary committee on external affairs. That committee should not only call the two correspondents but also those who have charge of the international control commission so that we will know exactly what is done with information collected by the Canadian delegation.

The seventh and last goal I want to suggest is that during its second century Canada must help the underdeveloped areas of the world. McLuhan has said that the world is now a global village. We cannot build an island of prosperity and stability in a sea of human misery. Peace in the world depends on our narrowing the gap between the per capita income of the "have" nations and that of the "have-not" nations. That gap is not narrowing but widening. More than half the people of the world are living on per capita incomes of less than $150 per year. The gap between the wealth of the western nations and the poverty of the underdeveloped areas is widening year by year. No wonder Secretary General U Thant said:

> The world will not live in harmony as long as two-thirds of its inhabitants have difficulty in living at all.

Social justice demands and common sense dictates that we should be giving a greater share of our wealth production to help the needy people of the world. I do not need to point out to this House of Commons that this does not mean shipping dollar bills but rather shipping Canadian goods, food, material and labour. It means laying the basis for future trade with those countries when they have been properly established.

Aid in itself is not enough. There is an old Chinese saying that if you give a man a fish you solve his problem for today but if you teach him how to fish you solve his problem for the rest of his life.

What the western nations must do as their real contribution is help these underdeveloped countries to help themselves by giving them the benefits of our modern technology, by persuading thousands of our young people to go as doctors, nurses, scientists, teachers, engineers, agronomists, forestry experts, trained artisans, social workers and psychiatrists to help these people acquire some of our western technology and some of our social organization so that they can raise their living standards. Our task should be threefold, to give aid, to promote trade with these countries so they can sell some of their primary products to us without prohibitive

tariff barriers, and to help them acquire some of our technology.

This country needs bold leadership as we enter our second century. This government and this parliament must set themselves the task of making Canada a place where every child will have enough to eat, where every student who wants to study will have the opportunity to do so, where every person who wants to work can find a job, where every family that wants to own a home can build one. We must make this a land where old people can walk the earth with dignity and young people can live useful and meaningful lives. Above all, we must make this a land that shares some of the gifts of divine providence with those less fortunate than ourselves.

There is a sentence in the throne speech which says that what we have tomorrow will depend on what we do today. I endorse that sentence. If it is true that what we will have tomorrow depends on what we do today, let us get busy. In the words of the late President Kennedy, "Let us begin".

[*Translation*]

Mr. Mongrain: Mr. Speaker, I rise on a question of privilege. I did not want to interrupt the hon. member in his remarks, because I was interested in what he had to say and also out of courtesy, but as soon as he moved his subamendment, I got a copy of it and was surprised to see that there was no French copy.

I assume this is a clerical error or an oversight. I cannot believe it as a deliberate action on the part of the leader of the New Democratic Party (Mr. Douglas).

Anyway, may I ask him whether there are French copies and whether we can have some?

[*English*]

Mr. Douglas: Mr. Speaker, I make my apology to the hon. member and to the house. Yesterday I fulfilled an assignment from the Canadian Centennial Commission accepted some weeks ago to address an international convocation on Canada's centenary. I got back very late and had little time to work on the subamendment. I have not yet had the translation completed, but I assure my hon. friend that we will do so as quickly as possible and see that he gets a copy.

• (12:30 p.m.)

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my first words will be to congratulate the mover of the address in reply to the speech from the throne, the hon. member for Burin-Burgeo (Mr. Jamieson), and the seconder, the hon. member for Nicolet-Yamaska (Mr. Côté).

I listened attentively to the mover who, only 18 years ago, was not a Canadian citizen—he was a Newfoundlander—and I greatly appreciated the way he talked about Canada, because 18 years ago he voted against Newfoundland joining Canada. But after 18 years as a citizen of this country, the hon. member tells us with sincerity and enthusiasm about the happiness and satisfaction he now feels about being a Canadian citizen and that he would not change his identity for any other in the world. He is proud to be a Canadian.

The mover of the address in reply belongs to a well-known family whose roots run deep in the province of Quebec. He took pleasure in praising the government. He talked about something which is close to our heart, namely the farm problem, and I will say a word about it later.

Before dealing with that part of his speech on agriculture, Mr. Speaker, I must say how disappointed I am with the speech from the throne. It is a disappointment which I have felt every year now for five years, I would even say for 21 years. As a matter of fact, I was elected member for the riding of Pontiac in 1946, and the speeches from the throne over that long period of 21 years look very much alike.

It contains vague statements and good intentions, but if the road to hell is paved with good intentions, it is to be wondered where we are heading with those senseless words. The measures being promised are only repetitions, as pointed out yesterday by the Leader of the Opposition (Mr. Diefenbaker). For instance, the proposed establishment of the Canada Development Corporation is again included in this speech from the throne. It was mentioned last year, the year before and even three years ago.

All I can find in that speech likely to open the eyes of all Canadians is the following statement:

> With our forefathers, the fight was against the immense odds of nature on our half of this contingent. Today the main struggle is against social injustice, against cultural mediocrity, against spiritual stagnation and against all forms of intolerance.

Now, Her Majesty's advisers, namely the government, recognize that we must fight against social injustice, because such injustice actually prevails in several areas of our country and not merely in one.

The people in Quebec are heard to say that poverty exists in their province because of the presence of French-speaking Canadians there. In every part of Canada that I have visited, I have seen social injustice among English-speaking Canadians. I have seen poverty-stricken English Canadians in the western provinces. Therefore, the province of Quebec is not the only one justified in complaining.

The second point is cultural mediocrity.

We agree or recognize that our intellectual culture is mediocre in the sense that we do not know exactly whether we have a true and distinctive Canadian culture.

We are wondering rightly whether our culture is not more American than Canadian. Since we are living on the American continent, we may be influenced by the United States from every point of view, cultural, economic and even political. Anyhow, we realize that in Canada we must fight against cultural mediocrity, spiritual stagnation and all forms of intolerance. We have suffered from intolerance for many years.

Mr. Speaker, our country exists in its present form, or nearly so since 1867, and we are now celebrating the centennial of confederation. Some people are happy to celebrate this centennial, others are not. Some criticize the celebration of this centennial, others accept it willingly and most cordially.

When the Fathers of Confederation, Cartier, Macdonald, and the others, in 1867 put on paper the terms which gave or were to give birth to the Canadian confederation, they were looking forward to a promising future for all the provinces then joining the Canadian confederation, as well as for the provinces which would join in the years to come.

Everyone admits that confederation has gone through difficult times. Everybody also admits that confederation has had its weaknesses. It is also admitted that confederation has suffered its fanatics on both sides. We know some of them, particularly in 1967, at a time when we are celebrating the centennial of this confederation.

Mr. Speaker, even with all its defects, confederation has nevertheless enabled the whole country, all the Canadian provinces to develop at a pace unknown in almost all the countries of the world.

• (12:40 p.m.)

In fact, we have reached in Canada a standard of living far superior to that of many other countries in Europe, Asia, Africa or elsewhere.

We may have suffered from injustice, but this has not been felt by one isolated group only. It has perhaps been the result of a lack of understanding and contact between the various elements which make up our country, now and in the past. When I was a youngster, I was taught that the English, or English-speaking Canadians, were fanatics, all of them. English Canadians were taught the opposite, the French-speaking Canadians were all fanatics and people with whom it was impossible to come to an understanding.

When people are isolated, each in his corner, and when there are no communication facilities, these things become ingrained in their minds, as they were in our minds some 30, 35 or 40 years ago. However, Mr. Speaker, when we have the opportunity of communicating with Canadians of other origins in other provinces, we realize that there are real and good Canadians everywhere.

For the last five years, in particular, I have had the opportunity of visiting the western provinces and the maritimes, where the majority of the population is English-speaking. For example, I met in the west workers and farmers as well as university people. I had the privilege of going to the University of Toronto, for instance, in our neighbour province. I gave a conference at Trinity Hall, in Toronto, where thousands of students came to hear me. I also had the privilege of speaking to university students in Manitoba, in Regina, Saskatchewan, in Vancouver and Victoria in British Columbia, and also at the University of Alberta, in Edmonton.

Mr. Speaker, everyone knows that I am a French-speaking Canadian and that I fight for the recognition of French Canadians throughout Canada. It is indeed a duty for me to say that I have had a friendly reception in all those provinces; I might even say that I have had a warmer welcome in the western universities than in the University of Montreal, in my own province of Quebec. And these people out west, these young students, these farmers or whoever they are, are most hospitable. We are welcomed like kings in those provinces. Even if these young people do not

speak our language, they are eager to welcome us, to hear our problems, to learn to know us, to know what we want and who we are. It was most interesting to meet these people, irrespective of political affiliations, as Canadians from a province other than theirs.

Now, Mr. Speaker, we certainly agree that there are fanatics in those provinces. As a matter of fact, we have some in Quebec too. And it is precisely those fanatics who jeopardize Canadian unity because they adopt a definite position and will not listen to reason. They think they live in a different kind of world than the one in which we live at the present time. Instead of seeing the human being in mankind, they see only their own sect and they believe that their own sect has every right, while all the others are completely wrong.

Mr. Speaker, I maintain that the Canadian confederation has enabled the two main ethnic groups of Canada, the Ukrainians, the Poles, the Italians, the French, the Germans, in short, everybody, to develop according to their own aspirations, inasmuch as financial system made it possible. Both parties or elements, the two main ethnic groups of Canada, are suffering from the evils of the same system which is leading them to dissension, misunderstanding and even hate of each other.

Mr. Speaker, I often repeat what John Adams, President of the U.S.A. from 1825 to 1829, said more than 125 years ago and I quote:

> The difficulties, the confusion and the anguish of the United States are due less to the weaknesses of their constitution or their confederation, a lack of honour or virtue, than to sheer ignorance of the nature of currency, credit and money circulation.

Mr. Speaker, one could apply the same statement to Canada, today in this centennial of our confederation, when there is confusion and worry in some parts of the country. People do not understand confederation, they do not know the Canadian constitution, yet, they denounce that pact, that confederation and that constitution without having considered the pros and cons of the system.

Mr. Speaker, we could now apply to Canada the words of President John Adams who said: The difficulties, the confusion and the anguish of Canada, in 1967, are due less to the weaknesses of its constitution, of confederation, a lack of honour or virtue, than to sheer ignorance of the nature of currency, credit and money circulation.

Mr. Speaker, the amendments moved during the debate on the address in reply to the speech from the throne deal precisely with matters concerning confederation and the constitution.

The main amendment read as follows:

> This house regrets that Her Majesty's advisers have failed to submit any program to give effective direction with regard to Canada's constitutional development in this centennial year and has failed to provide for the calling of a national constitutional conference—

Imagine the benefit the Canadian people will derive from this, Mr. Speaker.

> —to be widely representative of the governments, federal and provincial and of the territories, and of all political parties for the purpose of repatriating Canada's constitution—

Mr. Speaker, this motion was moved by the Conservatives, and see how many of them are in their seats. Not a single one. There is one who is coming in because he heard me. That shows how serious is the amendment for repatriating the constitution. The hon. member is here doubtless to repatriate the Canadian constitution.

• (12:50 p.m.)

But, Mr. Speaker, what is repatriating Canada's constitution going to give us? It is not even respected and there is talk of repatriating it. People are not familiar with it and yet speak of repatriating it. It is not being studied and yet there is talk of repatriating it. For five years now we hear on all sides: repatriate Canada's constitution. Let us get those sheets of paper in London and bring them to Canada. What is it going to give us if it cannot be respected? If the Conservatives and the Liberals in Canada had only started by respecting the constitution such as it is, we would not witness today such anxiety and confusion with regard to the Canadian confederation.

The amendment goes on:

> —revising and amending it as agreed upon.

Mr. Speaker, what has been agreed upon for amending or modifying the constitution, so that Canada's future policy might be aimed towards the interests of the people as a whole, through a declaration of national objectives based on the assurance of success so selflessly and patriotically displayed by the fathers of confederation.

Merely from a literary or logical point of view, Mr. Speaker, something is askew here. Based on the assurance of success. There was

no assurance of success, especially as displayed so selflessly and patriotically by the fathers of confederation.

Mr. Speaker, I met members of the Conservative party two days ago in order to ask them this: why do you not bring in an amendment for the revision of the agricultural policy of the government, because that is more important than repatriating the constitution. The Conservatives were afraid to move an amendment dealing with Canadian agriculture in general which is the basis of this country's whole economic structure. To prevent us, in the Ralliement Créditiste, from moving an amendment dealing with the dairy industry, for instance, we are served a terrible constitutional mess which the Conservatives themselves do not understand.

Mr. Barnett: Hear, hear.

Mr. Caouette: With regard to the subamendment, Mr. Speaker, it must of course relate to the amendment; so, it is virtually as bland as the amendment itself.

And in addition to that, the hon. member for Comox-Alberni (Mr. Barnett) fully realizes that I am right, for he says: "Hear, hear". They are obliged to move an amendment which is meaningless.

What does the subamendment say? I have to read it in English, Mr. Speaker, since we have not yet received the French copy. I quote:

[*English*]

By striking out all the words after the words "centennial year" in the fourth line thereof, and adding the following thereto:

"and has failed to prepare and present to this parliament proposals for amendment to the constitution of Canada as a necessary preliminary for a national constitutional conference, and has failed to make the proposals necessary

(1) To set out the legislative powers of parliament necessary for the maintenance of an effective confederation;"

[*Translation*]

The first point, Mr. Speaker, is that the powers are actually defined or established in the present constitution: provincial and federal legislative powers. But they are not observed. There is talk of repatriating the constitution to amend it. Let us first follow it. Let us avoid trespassing on provincial fields; let us deal with the federal areas, yes, let us deal with them.

[Mr. Caouette.]

Second:

[*English*]

(2) To provide an appropriate special status for the province of Quebec;

[*Translation*]

Undoubtedly, that is the reason why we do not have French copies of the amendment. I understand the explanation of the leader of the N.D.P. but translating seven or eight lines does not take that much time. There are competent people here in parliament who can easily translate that subamendment.

If this were the first time it happened, Mr. Speaker, I would say that the hon. member for Burnaby-Coquitlam (Mr. Douglas) should be excused. We would say: It is not for lack of goodwill he did not have the time. But the same thing happened last year and, the year before. In fact, this is the third time I have to tell the hon. member of Burnaby-Coquitlam that under the special status the province of Quebec should have, according to him, he forgets to introduce his subamendment to the House of Commons in French also.

Mr. Speaker, we must nevertheless be logical. It is simply to win votes in the province of Quebec that some speak of a "special status". No doubt it is for that reason that Mr. Cliche calls for a special status especially for the Montreal area. I think it is for Montreal only, a special status for Montreal, in the province of Quebec.

Mr. Speaker, what do they mean by "special status"? Isolate Quebec from the rest of Canada? What do they mean? They give no explanation. Is it mere window-dressing for Quebeckers—

Some hon. Members: Hear, hear.

Mr. Caouette: —that they are told: You are entitled to a special status.

I am a genuine Quebecker. My forebears arrived in what is now Quebec city on the St. Lawrence in 1668. My family has therefore been in Quebec for quite a long time. I never asked for a "special status". I do not need one. I want to be a French-speaking Canadian I want to preserve my French culture; I want to be respected by all other Canadians who have a different language and culture. That is all I ask for.

When I hear what some nincompoops have been asking for in the province of Quebec: a "special status"—

Some hon. Members: Hear, hear.

Mr. Caouette: —I wonder if it is a special status or special statues that are requested for the province of Quebec.

Mr. Speaker, the third point:

[*English*]

(3) To provide for a constitutional bill of rights;

[*Translation*]

A bill of rights probably. Of course, rights must be respected. We agree. The fourth point:

[*English*]

To provide for the patriation of the Canadian constitution.

[*Translation*]

The same thing for the Conservatives. But the main point is left out.

I understand that the hon. member for Burnaby-Coquitlam has to dress up his subamendment to make it consistent with the rules, which provide that the subamendment must relate to the amendment.

It is a little embarrassing for everyone. It is embarrassing for me, because to relate a subamendment to an amendment such as that, it is embarrassing. You have to be very well educated, Mr. Speaker, to present an amendment to an amendment which means nothing.

All this means that the Conservatives should have moved an amendment concerning an important sector of our national economy, that is farming.

I am led to deal somewhat with the speech made by the seconder of the address in reply to the speech from the throne, the hon. member for Nicolet-Yamaska. Do we adjourn at one o'clock, Mr. Speaker?

Mr. Speaker: Order. Yes, the house is to adjourn at one o'clock.

[*English*]

Mr. Churchill: One o'clock.

• (1:00 p.m.)

Mr. Speaker: I should like to bring to the attention of hon. members that the fact that the hon. member's time will expire at one minute after one o'clock. It is just about that time now and he may have about one minute left. Would hon. members suggest that he be allowed to complete his remarks?

Some hon. Members: Agreed.

[*Translation*]

Mr. Caouette: I have only one minute left, Mr. Speaker?

Mr. Speaker: According to our rules, and the hon. member is quite aware of this, speeches are limited to thirty minutes during the debate on the address in reply to the speech from the throne. The hon. member has about one more minute.

Mr. Caouette: Mr. Speaker, as I would need ten more minutes, I wonder whether the hon. members would not agree unanimously that I continue at two o'clock?

Mr. Speaker: Does the house agree unanimously that the hon. member continue his remarks for ten more minutes?

Some Hon. Members: Agreed.

[*English*]

Mr. Churchill: Mr. Speaker, you should permit the hon. member to have his ten minutes at 2.30.

Mr. Speaker: It is agreed that the house will recess until 2.30 and that the hon. member for Villeneuve will be allowed to pursue his remarks for a further ten minutes?

Mr. Churchill: I think people will now see the disadvantage of allocation of time. It destroys a really good speech.

Mr. Caouette: Thank you.

[*Translation*]

Mr. Speaker: It being one o'clock, this house stands adjourned until 2.30 p.m.

[*English*]

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

[*Translation*]

Mr. Caouette: Mr. Speaker, before the sitting was suspended for lunch, I was saying that I would like to deal this afternoon or rather right away with the speech of the member for Nicolet-Yamaska (Mr. Florian Côté) who supported the address in reply to the speech from the throne. I respect the member for Nicolet-Yamaska highly. He is a farmer, he knows agriculture, he is a very active member of the organization grouping Quebec farmers, that is the C.F.U. But note, on reading his speech, that the member for Nicolet-Yamaska did not speak on behalf of the C.F.U. but on behalf of the Liberal party.

He felt it was his duty, under the circumstances, to support the dairy policy of the present government and not the repeated requests of the members of the Quebec C.F.U.

He forgot that he was a farmer and considered himself only as a Liberal member; that is what I gather from his speech. If he were not a member of parliament and if he were a supporter of the C.F.U. of the province of Quebec, he would have delivered quite a different speech on agriculture and, more particularly, on the government's dairy policy.

The hon. member for Nicolet-Yamaska says, for instance:

> In 1957, on my own farm, I was selling milk at $2.90 per hundredweight; with a production of 300,000 pounds of milk—

Mr. Speaker, the hon. member is well aware that farmers who turn out 300,000 pounds of milk per year, in the province, are relatively few. In fact, most of the farmers we meet do not produce more than 100,000, 135,000 or 150,000 pounds of milk.

To produce 300,000 pounds of milk, Mr. Speaker, a dairy herd of 55 to 65 head is needed; that also means a big farm. And even if the hon. member realized on his own farm a gross income, not a net income, of $8,700 he is well aware that to earn his salary of $18,000 a year as a member of parliament he has to work much less than he did to keep a herd of dairy cows sufficient to produce 300,000 pounds of milk which brought him a gross income of only $8,700 a year.

Mr. Speaker, the hon. member added:

> From 1963 to 1966, under an administration which perhaps understood the problems of eastern Canada and of the Canadian dairy industry, I could sell milk for $4 per hundredweight for a production of 300,000 pounds of milk, which means that I could receive an income of $12,000.

Then again, $12,000 is a gross income. But are there any farmers with a $12,000 gross income in the province of Quebec? Where are they? The hon. member for Nicolet-Yamaska may have made that much money, but once again, it was a gross income. Tractors, a small truck were required to operate that farm, it was necessary to feed the cattle and so on.

Last Sunday, I was in Quebec and I met a farmer of Joly, in the riding of Lotbinière, whose dairy production reaches 138,000 lbs. per year. That farmer, considered well off in the province, had a gross annual income of approximately $5,800.

• (2:40 p.m.)

Moreover, Mr. Speaker, when the hon. member for Nicolet-Yamaska maintains—

[Mr. Caouette.]

Mr. Côté (Nicolet-Yamaska): I rise on a point of order, Mr. Speaker. I do not want the house to be induced in error, according to the Farmers Association a proficient farmer should produce from 175,000 to 200,000 pounds of milk—

[*English*]

The Acting Speaker (Mr. Richard): Order. The hon. member for Villeveuve.

[*Translation*]

Mr. Caouette: Mr. Speaker, I understand that the hon. member for Nicolet-Yamaska (Mr. Côté) thinks that a proficient farmer should produce 160,000, 170,000, of 175,000, pounds of milk. However, facts are facts.

In the riding of Lotbinière, those who produce 150,000 pounds of milk are considered as real dairy producers.

In my neck of the woods, we have farmers who produce 200,000 pounds of milk, others who produce 150,000 pounds, but also some who produce only 75,000 pounds.

Now, according to the government's recent policy, a farmer will get nothing at all for any increase over his contract or his production of last year. And the hon. member for Nicolet-Yamaska will approve the government to introduce such a legislation in the House of Commons, which is detrimental to farmers and adverse to an increased production in Canada.

Mr. Speaker, I maintain that the hon. member for Nicolet-Yamaska speaks here as a supporter of the Liberal party and not as a farmer, on behalf of Quebec farmers.

Furthermore, Mr. Speaker, I had the opportunity of meeting officials of the Catholic Farmers Union, and when the hon. member says that the farmers are preparing to come to Ottawa on May 24 next, not to blame but to commend the government, I will tell him that he is wrong. The C.F.U. people I met will be here on May 24 because they are dissatisfied with the dairy policy of the present government.

Moreover, when the hon. member says that if the farmers claim $6—this is serious—some members are prepared to rise and ask for $6. Should the farmers ask for $7, members would rise and ask for $7, and should we ask for $8, the member for Lapointe (Mr. Grégoire) would rise to ask for $8, I must say that I am bewildered.

Mr. Speaker, if that is how the hon. member views the agricultural question in

Quebec, I can assure you that the professional farmer's association to which he belongs himself will not take him very seriously, for he takes a stand in parliament but he has another story when he comes before the farmers.

When the hon. member met the members of the C.F.U. in his own constituency, they asked him to demand in Ottawa $5.10 per hundredweight of manufacturing milk. The hon. member accepted and told them that he would be their spokesman in the Canadian parliament.

Mr. Speaker, who is in a position to determine the minimum price asked by farmers and dairy producers in Canada or in Quebec. Is it the members of the house or rather the experts of the C.F.U. or those working for the Canadian farming association or the dairy producers of Canada?

Mr. Côté (Nicolet-Yamaska): Mr. Speaker, would the hon. member allow me a question?

Mr. Caouette: Certainly, Mr. Speaker.

Mr. Côté (Nicolet-Yamaska): Mr. Speaker, did the hon. member understand, as the Canadian press did, the statement of the member of Nicolet-Yamaska who asked the representatives of all the political parties to refrain from playing politics with the agricultural class, contrary to what he is now doing? I did not speak against the farmers, but on the contrary I tried to persuade the members of the opposition not to play politics, petty partisan politics with the farmers. And yet, this is what he is now doing.

Mr. Caouette: Precisely, Mr. Speaker, such a foolish statement as the one made by the hon. member for Nicolet-Yamaska is received with applause. Can one imagine that the member for Nicolet-Yamaska should fear that we play politics with agricultural class when he has never done anything else in his own constituency and the whole province of Quebec.

Mr. Speaker, those are the people who go about rural areas asking the people's support so that they can make claims on their behalf here in parliament. But when we assert their rights, we are attacked, we are accused of trying to use the farmers for political reasons. The member for Nicolet-Yamaska brought up the matter himself here in the house the day before yesterday.

I ask the member for Nicolet-Yamaska who knows the C.F.U.: who are the people aware of the needs of the farmer? The farmers and their specialists have stated that $5.10 per hundredweight of manufacturing milk is the minimum price—minimum and not maximum price—which can enable the farmers to make ends meet.

I meet farmers. I have some in my constituency. I meet some elsewhere in the province and when it is recognized today—the hon. member would be the first to do so if his government were not in power and if he was not a government member—that the farmer barely makes $1,900 to $2,250 net per year. That is the farmer's income. Yet, the hon. member is against our giving $5 or $5.10 per hundredweight of industrial milk. When I moved an emergency debate on the government's dairy policy the other day, why did the hon. member for Nicolet-Yamaska not rise at that time to defend the farmers of his own constituency of Nicolet-Yamaska? No, he stays in his seat.

[*English*]

Mr. Deputy Speaker: Order. I understand there was some agreement as to the extra time to be given to the hon. member and I must advise him now that his time has expired.

[*Translation*]

Mr. Caouette: Mr. Speaker, I shall close my remarks by saying that we clearly maintain our attitude towards agriculture and milk producers. We maintain that Canada can improve its economic, political and social position insofar as everyone co-operates to its improvement. We can make Canada a prosperous country by permitting the provinces to develop according to their own aspirations and by consolidating our unity in the greatest national respect.

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, on taking part in the throne speech debate I would first like to offer my congratulations to the mover (Mr. Jamieson) and seconder (Mr. Côté, Nicolet-Yamaska) of the address in reply. One may not altogether agree with everything that was said by these two gentlemen but I believe they made a contribution to this debate consistent with their convictions and discharged the role assigned to them in a very commendable fashion. The hon. member for Burin-Burgeo presented in a very clear and concise manner many of the views and convictions I had intended to stress during the course of this debate. But even though it may be somewhat

repetitious and even though my remarks will possibly be expressed with less emphasis and clarity, I would crave the indulgence of the house as I make some comments on the speech from the throne and on Canada's centennial in general.

One hundred years ago Canada was born as a nation and we are now in the midst of our one hundredth anniversary party. Already across this nation from coast to coast celebrations are taking place in all sectors of the population, in the provinces, the cities, the villages, the towns, the hamlets, and in many of the rural communities. These celebrations are being participated in by people who are proud to be Canadians, who appreciate the foundations that were laid for this great nation and the fact that over the past 100 years Canada has moved forward to achieve a place in the history of nations that I believe is very commendable. Elaborate planning, prodigious labour and substantial financing have gone into the arrangements, and with the advent of the summer months we anticipate an unprecedented flood of visitors from all parts of the world who are coming here to meet with us and to share in the celebrations of this memorable occasion.

Of course, at the very heart of our celebrations is Expo '67, an event which has been referred to as the greatest exposition ever held. Opened by His Excellency the Governor General, the personal representative of Her Majesty the Queen of Canada, on Thursday, April 27, it is a huge, spectacular exhibition which many of us have already been privileged to attend. It now appears that the success of this great project will be far beyond the greatest dreams of those who have had the responsibility for the planning and programming of this event.

• (2:50 p.m.)

As we begin this centennial session it is only natural that we should look back to the years which have gone by. I remember a quotation from Edmund Burke often referred to in this house and elsewhere. He stated that people will not look forward to posterity who never look back to their ancestors. It would seem to me that in this our centennial year we ought to look back and remember with pride those very fine and courageous men and women who laid the strong enduring foundations of this great nation. They were representatives of many nations. They were adherents of a variety of faiths. They were subscribers to different political philosophies. By setting aside their natural differences they accentuated their common purpose. As they laboured and toiled together they hewed out a kingdom in this land. They were the men and women who in full measure paid the price for what we are as a nation today.

While we pride ourselves on the marvels depicted in "A Man And His World", let us not forget the pioneers of this and of other lands who braved the dangers of their day, who travelled thousands of miles by canoe to search out and chart the vast expanses of this continent, who travelled in creaking wagons to build their homes on the frontiers of civilization and beyond and who, while not realizing it, set the stage for the vigorous and growing nation which we are proud to call our homeland today. So it is well, in this our centennial year, that we should pause to pay tribute to those who laid the foundations of our nation. May I say also that we should not fail to give thanks to God for the achievements of these 100 years and for the blessings of which we in this nation have been the recipients.

Having looked back, we think of the challenges which confront us today. I should like to refer to several of these challenges which I believe are most important. We must continue the development of our many natural resources. I do not think anyone would disagree with the statement that we have made tremendous progress materially in Canada. If we contrast present-day conditions with those which existed in pre-confederation days, and if we contrast as well what we have today with what we had in those days, I am sure all of us will agree that we have made tremendous progress from the material point of view. We must admit too that we have made tremendous gains technologically. While this country saw its beginnings in a mainly agricultural economy, and very limited at that, Canada today has achieved great success in the development of an industrial society. When we think of our resource development, again we have something of which we ought to be proud.

When we contemplate the progress which has been made in the development of our material resources, I think we ought to remember that the contemplation of this development alone will tend, rather than having beneficial results, to react unfavourably on mankind. Dr. Werner von Braun, director of the development operation division of the army ballistic missile agency, was asked recently:

Do you feel that modern man worships too much the golden calf of material progress?

His reply was:

> Nothing has probably retarded human progress more than idolatry of our own achievements. By worshiping our own scientific achievements we kill humility. By adoring our own technological advancement we kill the urge for improvement.

I think these words should have some application and that we would do well to remember them on this occasion. We must remember as well the importance of the development of our human resources.

It is not my intention to deal specifically with the items in the speech from the throne. Actually it was rather difficult to find them. One had to wade through a great deal of verbiage to find the proposals and suggestions. I will not deal with many of them specifically today. I do, however, recognize the fact that there are references in the speech from the throne to a number of very important issues such as housing. I suppose that is one of the major problems facing us today. In the course of the debate it has been pointed out that we are not even keeping pace with the demand for new units. Because of our immigration policies and the natural increase in population in this country we all know there is a growing demand for housing. I believe, therefore, that the government must take this whole matter under careful advisement and not be satisfied just with surveys, studies, analyses and the other exercises in which they are so prone to engage. They should come forward with very constructive proposals in order to meet this crisis.

As I say, housing is an important issue. Health care is also an important issue. Job opportunities present another tremendous challenge. Then there is the subject of education. We must remember that all these matters are important only because they contribute to the welfare of men and women, the citizens of Canada. Therefore even in the light of the emphasis which has been placed on increased productivity and so on we must ask what is the purpose of production. It is to meet human need. Therefore I believe there should be consideration of all these problems. We must relate them to men and women who today require that their needs be satisfied and who must have the right and the opportunity to provide for these needs in this affluent society.

It has been said that inadequate men are a social liability. Perhaps this is true. The Royal Bank of Canada monthly letter of June, 1964, had something to say about this. Some people may not think that a bank document can say anything too important to us today. The newsletter states:

> Being forced to live on anything below adequate food makes a man a social liability.

It is speaking of only one area.

> He cannot work effectively on an empty stomach; he cannot study and learn as he must in order to improve his condition; he cannot think beyond the dominant immediate need, which is his next meal; he cannot build up resistance to wasting disease; he holds back not only the economic and social development of his own country but also the prosperity of the world.

I say this afternoon that what is true with regard to food applies to all the major needs of mankind. If man's needs are inadequately met he is ill prepared to meet the challenges of today and provide for his own needs, let alone make a contribution to the common good of his nation and other countries round the world. Therefore, in considering all the legislation, proposals and recommendations that come before this house, some of which have been referred to in the speech from the throne, we must remember that they must be related to humanity and individuals. Only in this way can they fulfil their function in our society.

• (3:00 p.m.)

Drastic changes are taking place in Canada and in our world. I believe that all these things to which I have referred as well as training and retraining must prepare our people to fit into their particular role in society and in the changing situations in which they find themselves. We believe in the development of human resources and the importance of the individual. I read a very interesting statement in the notes for the Prime Minister's speech to the national centennial conference dinner on April 24. On page 3 we find this statement:

> As we move toward our second century, I dream of a Canada where the individual is never forced to shape himself inflexibly to economic and political systems, but where he can enjoy a maximum of freedom and opportunity to fulfil his most cherished personal aspirations; and to develop his full potential as a human being.

One would almost think the Prime Minister had for once become a Social Crediter because that is exactly what we have been emphasizing throughout the years. One of the very first principles underlying our movement is an emphasis on the importance of the individual and his right to the opportunity to develop his personality as he sees fit as long as he does not endanger the same privileges of his fellow man.

Mr. Herridge: Does the hon. member not realize that the Prime Minister once voted for Social Credit?

Mr. Patterson: We hope the time will come when he will vote for it again.

In spite of what the Prime Minister has said or may say, we are living in an age when government intervention and control are extending into every avenue of life. This is one thing about which Canadians are becoming very disturbed. In fact, there is a reference to it in the speech from the throne. I shall not take the time to look it up but it related to the government and the increasing role it plays in the affairs of the citizens of Canada.

I have before me an editorial which appeared on May 9, 1967 in the *Globe and Mail*. I will read two brief portions of the editorial:

> Toward its end yesterday's speech from the throne referred to "the involvement of the government in many matters." Those eight words somehow capsule the intention of this centennial speech from the throne. In the early years of our history the tendency of governments was toward participation in those areas of our society where we could not individually achieve our aspiration—we went on the basis that the best government was the least government. The trend has been manifestly in the opposite direction since the second world war, but perhaps it has never been stated with such emphasis before.

Toward the end it goes on to say:

> But what distinguishes this speech, apart from its scope, is its preoccupation with an intensification of governmental presence as Canada begins its second century. The speech puts it this way, "We who find ourselves in positions of authority must always remember that it is our responsibility and our opportunity to serve the needs and aspirations of the Canadian people."
>
> The difficulty, of course, will lie in making sure that those in "positions of authority" remember the word "serve".
>
> It is a word that is often forgotten when the emphasis is on "the involvement of the government in many matters."

I suggest that the Prime Minister and the government pay attention to those words because they are significant in light of the Prime Minister's emphasis on the right of individuals to live their own lives and develop their own personalities according to their wishes.

There must be a development of our moral and spiritual resources. If we follow Canada's history from its beginning we will see the important place that faith and religion have occupied in the development of this nation. Today as we face change, with old concepts discarded and old foundations crumbled, we must ask ourselves what is to happen to the old precepts, concepts and foundations upon which this nation was built.

Let me refer again to a statement in the speech from the throne which has already been placed on record:

> With our forefathers, the fight was against the immense odds of nature on our half of this continent. Today the main struggle is against social injustice, against cultural mediocrity, against spiritual stagnation and against all forms of intolerance.

This is a rather gloomy portrayal of the Canadian scene today. One wonders how this statement fits into the rest of this document which refers in glowing terms to what the government has accomplished and what it intends to do in the future. In the middle we find this dismal portrayal of the scene today. Without over-emphasizing its importance, I think we should give some consideration to the meaning of that statement. If it is accurate the time has come for us to look to our moral and spiritual moorings. I confess that one cannot legislate righteousness but I say that we ought not to legislate anything that will undermine righteousness. This statement should give us plenty of food for thought as we consider the situation which exists in this country today. Perhaps that thought was in the mind of Right Hon. Vincent Massey, a former Governor General of Canada, when he said some years ago that Canada's centennial would provide a good opportunity for spiritual stocktaking.

In the midst of our material progress and technological development, as well as the development of our human resources, let us tie in this other consideration because it has application and a message for us today. Canada has come a long way. Evidence of this is all around us, but we must not neglect those things upon which our nation was originally founded. If we do we do so at our own peril.

• (3:10 p.m.)

Earlier I mentioned that I did not intend to deal specifically with the speech from the throne but I should like to mention one or two things generally. The time has come when we in this house and in this parliament ought to set our house in order. This is a trite statement, I suppose, and it has been said over and over again, but I should like to place additional emphasis on it today. We must set our own political house in order right here in the House of Commons. The country is not impressed with the way its business is being handled. I do not think there are very many in this house who would disagree with that

statement. In fact, many have made similar statements in the past. I suggest that if the democratic processes are lost to us it will not be because some military force has moved in and deprived us of them but because of our own failure to use them wisely and effectively in the discharge of the nation's business.

Reference was made in the speech from the throne to the rules changes that have been implemented and which will be considered still further. I believe we have made good progress in streamlining our rules and procedures in the house, but I suggest we have only made a beginning. I say this because our last session lasted 15 months. We will either have to shorten debate or lengthen the year. I sometimes think it might be easier to lengthen the year than shorten debate. Nevertheless, I believe that this matter must be pursued actively and resolutely in order that our rules will provide for the effective dispatch of the public business in a reasonable length of time.

I believe the time has come when we must give some thought to the Canada Elections Act and parliament as a whole. I suggested some time ago that perhaps we should consider the system in use in the United States where there is a stated period of four years for the term of office of a government. I believe this would have two very beneficial effects. First, it would curtail a lot of the politicking that takes place under our system. It may be said that this is the place for politics. Perhaps it is a place for some politics but it is certainly not a place for continuous politicking. If there were set times for the sitting of parliament and perhaps the provision of safeguards and opportunities in respect of want of confidence motions at certain stated times, I believe this would contribute substantially to the effective discharge of the nation's business. Furthermore, it would cut down on the number of election campaigns in this country.

I know that some of our friends in the official opposition say that the reason for so many long sessions is that there are too many parties and we ought to get back to the two-party system.

Some hon. Members: Hear, hear.

Mr. Patterson: I notice that our friends in the provinces of Alberta and British Columbia, for example, do not look at it this way, because as soon as a provincial election is called they are right in there pitching, trying to upset the two-party system. What they really mean by two parties is Liberals and Conservatives.

Some hon. Members: Hear, hear.

Mr. Patterson: Surely not. I suggest the reason we are so far behind in the nation's business is not that we have too many parties but too many election campaigns. Therefore I believe that the proposal that there be a four-year period of office for a government is worthy of consideration. I believe also that there must be stated times for sittings and recesses of parliament. If we cannot organize our business any better than we have been doing in the past several years, how in the world can the people expect us to discharge their business effectively?

I know it has been and will be said that we should sit all summer in order to get through the business before the house. It is said that we should make martyrs of ourselves in this respect. But the people are a little wiser than that and they do not think we are martyrs; rather, they think we are stupid because we cannot discharge our responsibilities in a reasonable length of time and get back to our ridings to discharge our obligations there.

Some hon. Members: Hear, hear.

Mr. Patterson: Time allocation for debates is another matter I bring to the attention of the house. I know this has been suggested before. It is said that there must be freedom of speech and we have heard cries of "guillotine" and so on. But I do not think the people take such cries seriously any more. In fact, I think the guillotine, if that is what it is to be called, should have been used a good deal more than it has been. I say that necessity requires and common sense demands the orderly dispatch of the nation's business.

There should also be a system of priorities so that we do not become bogged down in relatively unimportant matters while major issues facing the country remain unattended to. I believe that if we set our political house in order we must also recognize our responsibilities farther afield. Canada is in a wonderful position and has a wonderful opportunity, after it sets its political and material house in order, to make a contribution to the world and assist those nations which require assistance. I have before me statements pointing out the needs of people in various countries of the world who are hungry and starving to death, living in alleys and so on. In this respect I am reminded of the words of the Scriptures where it is said, "Give ye them to

eat." I believe that we, with our superabundance of material things, are well able to provide a goodly measure to meet the needs of the hungry in other lands as well as technical assistance which will help them raise their standards of living and provide for their own needs.

Finally, Mr. Speaker, I believe that Canada must press forward and fulfil its role in the world as a peace keeping, peace loving and peace making nation. Canada has fulfilled its responsibility in this respect. It has risen to the challenge and we have made a tremendous contribution in this regard. Our serving men abroad have established an excellent record. I believe that we must continue to do so in order that Canada will be looked upon as a nation which not only knows how to organize its own affairs but is able to contribute from its abundance and play its part in order that people everywhere may enjoy the fruits of their labour and their rights in keeping with the dignity of mankind.

• (3:20 p.m.)

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker as one of the representatives from the province of Nova Scotia, which was one of the four original provinces which joined in confederation to form Canada, I am pleased to have this opportunity to participate in the throne speech debate in our centennial year.

First of all I wish to take this opportunity to express my sympathy to the family of the late Governor General Vanier who served Canada with such great distinction. I also wish to take this opportunity to express my congratulations to the new Governor General, His Excellency Hon. Roland Michener, who I know will carry on his duties with dignity and in a manner befitting the high office to which he has been called.

I also extend my congratulations to the mover and seconder of the address, the hon. members for Burin-Burgeo (Mr. Jamieson) and Nicolet-Yamaska (Mr. Côté). They expressed their viewpoints very well and in a capable manner, reflecting credit on the constituencies which elected them to this house.

One hundred years ago Nova Scotians had already developed many proud traditions, and following confederation we looked to the future with confidence. The throne speech states the following:

> One hundred years ago, our predecessors—men of many races, creeds and tongues—embarked upon a great exercise in statecraft of which we, today, are the trustees. They laid the foundations. They anchored them in a fundamental sense of unity that generations of conflict had taught was vital to the common weal. With this realization they erected a structure of government for the freedom, welfare, and prosperity of all who might come in time to inhabit this land. They built according to a federal plan because they knew that unity, with cultural and regional diversity could be harnessed to a positive and enriching role in no other way.

This was the concept. However, many of our hopes and ambitions have never been realized, and our dreams of equal opportunities with other Canadians have all too often fallen short of accomplishment. Despite these facts we have always tried to carry our share of the load, to be builders of this nation, and I hope the ideals of our forefathers will serve as a guiding light to future generations of Canadians who will be faced with the task of continuing to build a stronger and a united Canada.

Nova Scotians have learned a great deal in the past 100 years, and it is useless for us or for anyone to minimize our problems. We have them in both human and material terms, in the expansion of our primary and secondary industries and in the proper development of our educational facilities. However, in recent years we have gained recognition in the international industrial world for our stable institutions, our intelligent and adaptable labour force, and for our strategic location in the trading world.

Progress, however, is not just a matter of new and bigger industries, but also of people at work, trained in new skills so that they can take their place in performing new and exciting tasks. If progress is to have any real meaning it must be related to improved living standards for all our people. When we examine the present and look at the past we have a right to feel encouraged, but we can hardly feel satisfied. Average incomes in Nova Scotia are rising. In fact in 1966, according to the Atlantic Provinces Economic Council, our average income increased to $1,586 from $1,485, which is the highest per capita income in the four Atlantic provinces.

Despite this fact we have not narrowed the gap between average incomes in Nova Scotia and those in central and western Canada. We still lag behing in the Atlantic provinces, with average incomes a third below the workers in the rest of the nation, and our unemployment rates are double the national average. The third annual review of the Economic Council of Canada leaves no doubt that the relative standards in the Atlantic provinces, when compared with the nation, are not improving, and that the gap is not closing. It would

appear that we are still too dependant upon forms of employment which do not offer good prospects of growth.

It is evident that we in Nova Scotia must continue to modernize our economy. We must emphasize the importance of Nova Scotians changing with the times. To do this we need help at all levels, both federal and provincial. For these reasons I wish to make some proposals which I hope will have the support of the federal government and which will be beneficial to the people of the Atlantic provinces and to Canadians as a whole.

A visit to the French pavilion at Expo '67 is an exciting experience at any time for anyone. However, in my opinion, one of the outstanding exhibits is the detailed description of the hydro power development through the use of the high tides near the river Rance in Brittany. I would suggest that anyone who has any doubts about the feasibility of generating electricity in this manner should take time to study the French exhibit. I believe that if members of the present government followed this course, steps would be taken to speed up the engineering studies and the development of the tidal power potential of the bay of Fundy. It is my understanding that a study is planned by some nine companies, but it is estimated this survey will take some two years to complete at a cost of approximately $1.5 million. While this study is welcome news, I cannot help but express regret over the delays during the past four years in starting this survey. Studies of Fundy power development were to be undertaken, away back in 1963, under the Atlantic Development Board. In fact, one of the main reasons for the establishment of the board was to carry out tidal power development if feasibility studies justified it. All the preliminary work at that time indicated that it was an investment that would offer immense rewards.

I ask this government, why the delay? Why is it dragging its feet on this project? The tides at the eastern end of the bay of Fundy rise 40 to 50 feet, day in and night out, carrying a 60 million horsepower potential in a six and one half hour period between high and low tide. Even 10 per cent of this is almost twice the total power capacity in Canada today, and even this small portion of recovery would make this the largest single power development in the world.

I repeat, Mr. Speaker, why is the government dragging its feet? It is possible that the joint findings of the nine companies recently appointed will confirm the belief long held by experts that tidal power installations in the area could produce power at a price to compete favourably at the present time with nuclear energy. But I would point out that the cost of nuclear power is bound to escalate, because the prices of raw materials and wages are certain to increase over the years. However, in the case of tidal power, once the initial capital investment is made, the amount of manpower required to maintain the operation is small, and the motive power is provided forever by the sea.

According to the speech from the throne the government is concerned about inflation, and with good reason. It does not say so directly, but there can be no other meaning to the paragraph on page 2 of *Hansard* of May 8 which reads as follows:

> Today relations among industry, labour and governments at all levels are taking on a new significance. To maintain and improve Canada's economic strength it is necessary to exercise wisdom and restraint in our demands upon one another; to show a high degree of co-operation and a sense of responsibility in dealing with each other and with our respective institutions, including all levels of government.

On page 5 the words are a little different, but indirectly they imply a concern over inflation. They read:

> In the highly complex society of today, the interests of the consumer must be taken fully into account in the formulation of government policy. It is abundantly clear that in the whole area of matters affecting the investor and the consumer, the federal government has special obligations arising out of its general responsibility for the economic well-being of the nation as a whole.

These are high sounding phases, but I say this to the government: If it wants to do something for the benefit of the Atlantic provinces, it should proceed immediately with tidal power development. This power would afford the best possible protection against inflation. Once it has been developed, the price of power becomes constant and operating costs are constant. The ebb and flow of the tides, properly harnessed, provides on conversion very cheap and economical power, with the cost factor stabilized.

Think of what this would mean to future generations. The government's present fiscal policies are causing Canadians outside and inside the present cabinet to call out in dismay. They are saying to this government that in times of so-called prosperity it has a responsibility to bring revenues and expenditures into balance. Surely we can pass on to our children something permanent besides our debts, which are looming high and stand as a monument to this government's inability

to manage our finances or take advantage of our opportunities.

This government and the Canadian people should not look upon tidal development as an Atlantic project. It is a national project, one that should commend itself to the Canadian people as a whole. In my opinion the development of Churchill falls in Labrador and the mighty power of the Fundy should go hand in hand in lighting the North American continent. A combined power grid from both these sources would more than satisfy Canada's demands, and we would have surplus power to export to the United States.

There is no fear of saturation, for the power needs of New England and New York double every ten years. I believe one of the most important reasons for speeding up this tidal development program is the fact that nuclear and thermal power plants must be fuelled by uranium, coal, oil or gas, which are non-renewable resources. If we hope to improve the over-all standard of living of Canadians, we cannot be wasteful of any of our resources. With the rising demand for energy in our modern society, it is nothing but sheer waste to ignore this vast source of power, which could bring about a golden era of industrial development in the Atlantic provinces.

• (3:30 p.m.)

A moment ago I mentioned the Atlantic Development Board. I think it is imperative that the present Liberal government cast partisan considerations aside and make available to this board funds in relation to the magnitude of the problems with which the Atlantic provinces are faced. This board, established by a Conservative government, only started to function in April, 1963. In the past four years the board has done as much as possible within the limitations imposed upon it by the financial resources provided by the federal government. The initial conception of the board called for a substantial federal investment over a ten year period. It was hoped that this would stimulate private investment.

This is exactly what has happened in connection with Expo. We see massive capital investment by the federal government, and this in turn has encouraged investment from other countries and by private industry. This is what we had hoped would happen in the Atlantic provinces. However, when the government changed in 1963 a new act revised the original conception and only $100 million was allotted initially to improve conditions in this vast area called the Atlantic provinces. A further $50 million was later voted, and a special road investment of $30 million was added, bringing the total resources of the board to some $180 million.

Now, what does the throne speech say about the Atlantic Development Board? This is what it says:

> The government will also take special measures in particular designated areas where human resources are not adequately utilized. While efforts by the government in this regard during recent years have met with a large measure of success, they are to be made even more effective. Parliament, therefore, will be invited to broaden the scope of the area development incentive program and to provide increased funds for it. Continuing encouragement will be given to the work of the Atlantic Development Board in promoting industrial development in the Atlantic region.

This is fine.

Now, Mr. Speaker, what do we see when we turn to this year's estimates? On page 508 of the blue book an amount of $33 million is to be credited to the board to assist in financing programs and projects, while $14 million will be voted as the federal share of the cost of a trunk highway program in the provinces of Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island. This represents a total of $47 million. It is simply not enough, Mr. Speaker.

Is there no one in the present government aware of the vast area over which these funds will be spread, or of the tremendous economic problems faced by the people of the Atlantic provinces? When we look at the funds allotted for development in the Atlantic provinces and compare them with the government's bill for housekeeping, for example, we begin to realize the lack of consideration being given to our problem. Let me point out, just for the record, that the administrative overhead for the nation's government in terms of staff and office cost was $1 billion in 1963. However, the cost jumped to $1,325 million last year, a whopping 30 per cent increase. What possible justification exists for this astonishing increase, nobody knows. Apparently nobody in the government is troubled by a feeling that a full explanation is owed to parliament and to the taxpayers of Canada. But when we ask for development funds in the amount of $1 billion spread over a ten year period in order to provide self-liquidating projects in the Atlantic provinces and raise the standard of living of our people a bit closer to the national average, our request is denied and we are turned away with a pittance.

It is not my intention to criticize the board when I say that, to date, far too little has

been done. However their first task was supposed to be an assessment of the Atlantic region, and the over-all provision of a development plan to overcome the disparity of wages and incomes between this area and the rest of Canada. To the best of my knowledge, no such assessment has been made public up to the present time. This assessment would have to include fisheries, agriculture, mining, manufacturing, all secondary industry and, last but not least, a study of transportation costs since these costs alone influence all other sections of the Atlantic economy. Members from the Atlantic provinces were trying at the tail end of the last session and the beginning of this one to find out from the Minister of Transport (Mr. Pickersgill) where we stand on this study of transportation costs in the Atlantic provinces, but to no avail. In my opinion, until this type of assessment is completed and recommendations are made concerning our special problems it is evident that the assistance provided will only continue to be on an ad hoc basis.

However, sir, let there be no doubt that our problems are real and very serious as revealed by the third annual report of the Economic Council of Canada. The Atlantic Development Board was set up to remedy these conditions, and this it has failed to do. In this year of our centennial celebrations I feel I would be remiss in my duty as a representative of the Atlantic provinces if I did not do everything in my power to make the government conscious of the deplorable results of confederation in this region of Canada. The Atlantic provinces have suffered from a system which has provided protection for the industries of central Canada. We have to pay through the nose for the necessities of life. Manufacturers, under the protection of tariffs, have allowed Canadian prices to be raised at our expense. The price of everything from a bag of groceries to a motorcar is higher here than in the United States, so that Canadian manufacturers in central Canada may prosper.

Despite these facts the federal government, instead of providing the help required, continues to pass legislation which imposes additional tax burdens upon the provincial governments. It is much more difficult, for example, for the Atlantic provinces to find the 50 per cent required to pay their share of costs in joint programs than it is for the wealthier provinces in Canada. It therefore follows that a national standard of public service cannot be enjoyed in the Atlantic provinces without imposing an additional tax burden upon our people. Unless this fact is recognized, we maritimers cannot enjoy national standards of public service. In fact the system presently followed actually accentuates the differences in our national standards.

Generally speaking, the people in the Atlantic provinces find themselves in a position where projected expenditures are increasing more rapidly than sources can be found to pay them. For example, in the field of education costs, our requirements in the years ahead are frightening. While the federal government has taken on a greater share of the cost of secondary education, it is equally true that it has moved out of the field of paying for vocational training, except in the case of adults. Vocational training is the most vital requirement in our system of education today. The Atlantic provinces need even greater aid to cover the extension of their highways programs.

Unless this money is forthcoming from the Atlantic Development Board in greater amounts in the future than in the past, we shall continue to place a severe strain on the financial resources of the people living in those provinces. One project I suggest which is worthy of consideration by the Atlantic Development Board is the establishment of lobster trap depots in the Atlantic provinces. For example, on April 28, 1967, a freak storm of severe proportions dealt havoc and destruction to the lobster traps set along the coast from Guysborough to Yarmouth, Nova Scotia. In some areas trap losses may exceed 90 per cent of the fisherman's entire holdings. I point out that while the loss of the traps creates severe financial problems for the fisherman concerned, this is not his greatest loss. In this business, time is of the essence and when a lobster fisherman loses his traps at the beginning of the season his major earning period may well be wiped out, along with the traps, because it will take him three weeks or longer, working around the clock, to rebuild his traps.

This industry is worth something like $23 million to the Atlantic provinces and something like $13 million to the fishermen of Nova Scotia. I mentioned that the recent storm destroyed approximately 90 per cent of the fishermen's traps in some areas of Nova Scotia. This is not an isolated catastrophe but one that occurs with harsh frequency. In fact, only two years ago pack ice, which is always a menace on the east coast, destroyed a large number of traps. I believe the lobster fishermen have suffered five major disasters in the past seven years.

• (3:40 p.m.)

In order to make it possible for these lobster fishermen to continue immediately in the lobster fishing industry following a heavy trap loss, I wish to propose the establishment of at least four major lobster trap depots in Nova Scotia. One of these depots could be located in the Yarmouth area, another on the south shore in Queens or Lunenburg counties, another on the eastern shore between Halifax and Guysborough and a fourth in the Pictou area. Each depot would carry a stock of at least 6,000 lobster traps, and in times of disaster lobster fishermen could draw upon these pools for new supplies. These wooden traps could be made by shore fishermen during the closed season; and since each trap is valued at approximately $7, the total cost of 24,000 traps held in reserve would amount to $168,000 plus the cost of four storage sheds.

The cost of this project could well be borne by the Atlantic Development Board in support of one of our major inshore industries. It is an idea that could well be applied not only to the lobster fishermen of Nova Scotia but to all lobster fishermen in any one of the four Atlantic provinces. Once established the stock of pots could be maintained by the lobster fishermen.

When the loss is sustained, three quarters of the loss is generally covered by lobster trap insurance, which the fishermen could sign over to the administrating authority in payment for the traps obtained, or they could replace the traps by constructing them when the season closed. The design of traps varies in different areas, but the design to be stocked could be worked out with the fishermen concerned. I hope some action is taken on this proposal, which I believe would be beneficial to many of Nova Scotia's lobster fishermen.

While I am on the subject of fishing, I would refer to the recent news release put out by the Department of Transport concerning the loss of the trawler *Cape Bonnie* which was believed due to a navigational error. This tragic event will long be remembered by the people of Nova Scotia. It would appear the report of the accident as prepared by the officials of the transport department is factual and complete. However, the report does state that the Decca navigator chain which serves the area did produce an unreliable signal for a period of time, and if the captain of the *Cape Bonnie* was depending on his Decca navigator entirely and took a reading during the period the signal was unreliable, it may well have caused him to set the wrong course for Halifax harbour.

[Mr. Crouse.]

In the light of accidents which have occurred in the area of Halifax harbour in recent months, it is my opinion—one that is endorsed by many mariners—that in the interests of protecting the lives of our seamen the government should give favourable consideration to returning the *Sambro* lightship to its regular station. I believe a lightship was on station in the area for some 52 years, and with the strong signals sent out by this ship there was no question in the minds of our mariners about their proper location.

Since we hope and believe that Halifax will become the Nova Scotia terminal for giant bulk cargo vessels in the not too distant future, and we want to encourage as many deep-water ships as possible to call at our capital city's port, I believe maximum assistance in navigational aids should be provided them when approaching the harbour. For these reasons, and for many others I could cite, I hope the government will take early action to see that the *Sambro* or a similar ship is put back on the job.

Another development which should be studied and supported by the Atlantic Development Board is the proposed construction of a corridor road through Maine. This is not a new proposal, but I ask the government what progress is being made in discussions with our American friends on this important trade and tourist route, which would shorten the distance between the maritimes and central Canadian marketing areas by approximately 140 miles.

Reference to the speech from the throne, Mr. Speaker, reveals the following paragraph, to be found at page 3 of *Hansard:*

> Parliament will also be asked to enact a measure further to assist Canadians when moving from their homes in order to obtain employment.

Shades of the hon. member for Davenport (Mr. Gordon). We in the maritime provinces have heard this old chestnut ever since the hon. member produced his report on our economic prospects. This has become a standing joke in our area. We would like him to know—and I think I am speaking for all maritimers when I say this—that we want to stay in the Atlantic provinces. We feel that, given the right opportunities, we can build our part of Canada equal to any other part of this nation. We do not want a one-way ticket to some other part of Canada, and we resent this intimation that we do.

I would suggest to the government that they spend some of this money in an effort to try to develop a corridor road through Maine. Has nothing been done in this regard? Is there no one on that side of the house who can tell us what progress is being made with this international development? Surely they could ask somebody in the United States to give us a report on the possibilities of working out a joint highway development in Maine. My understanding is that a bill has been introduced in the Maine legislature calling for construction and improvements on several portions of state route No. 6, a section of the long proposed corridor road. In my view, this is a step in the right direction; but I ask the government whether any representations have been made to the governor of the state of Maine by the federal government indicating our interest in developing this corridor road.

Think of the tremendous savings in transportation costs for our fishing industry, for our farmers and for our newly developing secondary manufacturing industries if a road between Nova Scotia and Montreal could be built which could shorten the distance by 140 miles. This is a project which has been sleeping for far too long, and I hope that some action is taken immediately by the government to bring about international co-operation in this matter, which would be beneficial to a large area of both countries.

What action has been taken to establish a second ferry between New England and Nova Scotia? Our tourist industry is calling out for this type of assistance. Yet all we hear from the federal government are vague promises. There is nothing in the speech from the throne about this particular project, Mr. Speaker. In view of the importance of a second ferry to our agricultural industry, our fishing and tourist industry, I think it is high time that some action was taken on this important matter.

The throne speech states that legislation will be put before this session for better regulation and use of broadcasting privileges and responsibilities. In my view, this cannot be introduced too soon. The Canadian Broadcasting Corporation is literally like a rudderless ship without a captain, drifting about in a fog on a sea of uncertainty. It is way past the time for the government to take some action in appointing a program boss for this organization, a crown corporation which is causing great concern to many Canadians.

I say this, Mr. Speaker, because we see in this year's estimates the amount of $143,960,000 for the C.B.C., which is an increase of $29,476,000 in one year. In its original concept the C.B.C. was to operate as a free agent, but we are now aware that there is no such thing as free speech. If this were a private organization, by this time it would have gone broke. With the so-called creative minds in charge of the C.B.C. today, it is evident to the public that they believe this gives them the right to be irresponsible, to deal in sensationalism and to show bad taste.

There are times, Mr. Speaker, when I doubt whether the C.B.C. employees want freedom for the C.B.C. I think they want freedom only for themselves. When I was first elected in 1957 the C.B.C. estimates were approximately $52 million a year, and I can well remember making a speech about it at the time and remarking that $1 million a week seemed to be a lot of money to subsidize one service. I thought the figure was too high then, but today the figure is almost three times that amount. It is high time that we carefully examined this entire organization and its spending program.

Part of the throne speech calls for assistance to housing and urban development. I say that this proposal is fiction, not fact. It presents the vision of new urban living, small towns with their own community life, instead of the present concrete jungles that we call our cities. I am not going to criticize the government for looking ahead, but dreams are no substitute for necessities. Canada today is in the grip of a serious housing crisis. Rents are skyrocketing, and as a result of high levels of taxation imposed by this government in the wake of wasteful extravagance, the price of homes has reached a level far beyond the capacity of the average wage earner to pay.

It is in the Atlantic provinces, in my opinion, that Canada's policy makers should be putting forward a tremendous effort. I say this because, though we have manpower resources, we need new job opportunities. Great progress has been made, but more needs to be done and I hope the government will realize that though we have moved forward we still require assistance from the Atlantic Development Board armed with sufficient funds to help finance continued economic expansion in our area. This should be the goal, and there could be no better undertaking for the Atlantic provinces and for Canada in this our centennial year.

• (3:50 p.m.)

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, in rising to take part in this debate my first words must be words of congratulation to the mover (Mr. Jamieson) and seconder (Mr. Côté, Nicolet-Yamaska) of the address in reply to the speech from the throne. Rarely, if ever, on the several occasions when I have been present as a member of this house for the past five years and as a visitor during earlier years have I heard a more thoughtful, more inspiring or more eloquent address than that made by the hon. member for Burin-Burgeo on Tuesday afternoon. The hon. member for Nicolet-Yamaska also acquitted himself with distinction, and I heartily congratulate them both on their contribution to the debate in this chamber.

I also wish to avail myself of the opportunity to join in the expression of good wishes and congratulations to His Excellency the Governor General upon his assumption of this responsible and onerous duties. As has been said frequently during recent weeks, our new Governor General has served Canada with great distinction both at home and abroad. If you, Mr. Speaker, will permit a reference to a personal experience I am sure hon. members will find it of interest.

In January of 1966 I had the honour to represent Canada at the funeral in New Delhi of the late Prime Minister Shastri. While there I was a house guest of His Excellency and his gracious lady. As one might expect, during the two days I was there I saw a great deal of His Excellency who was then serving as our high commissioner. I was in his company when we met the acting prime minister, other leaders of government and equally prominent people in India. I was most impressed. I was very proud as a Canadian of the way in which our high commissioner was received by almost every person with whom we came into contact. He was received not only with respect but with warmth and, on one or two occasions, almost with affection. I was very proud, as I have said, to know that we were represented by such a fine person. I am sure his excellent work in India enhanced our prestige and that his work in the important new office he now holds will further increase that prestige.

Under normal circumstances a member of the government taking part in the debate on the address might be expected to deal at some length with the amendments which have been proposed to the motion. In his excellent speech yesterday, however, the Prime Minister (Mr. Pearson) dealt so effectively with the amendment moved by the Leader of the Opposition (Mr. Diefenbaker) and also, perhaps by way of anticipation, with the points raised by the hon. member for Burnaby-Coquitlam (Mr. Douglas) in his remarks earlier today, that I do not feel it is necessary for me to do so. The speech of my right hon. leader—and reference to *Hansard* will bear this out—dealt with those submissions so effectively that I feel my time could be spent to better advantage if I were to supplement what the Prime Minister had to say about Canada's serious housing situation. Your Honour will recall that some days ago I assured hon. members that I would be making such a statement and I am afraid I shall need all the time permitted under the rules if I am to do so even in what might be regarded as an inadequate way.

In view of the serious setback that we faced last year because of the disturbing drop in housing starts amounting to roughly 30,000 fewer than we would have liked, housing has been the focus of attention for a great deal of comment or criticism, if you like, during recent months both inside and outside this house. It might be advisable to point out that in many instances the critics have demonstrated a complete lack of understanding of the true situation, and this applies to the remarks made on the subject yesterday by the Leader of the Opposition. Repeated attempts have been made to magnify our difficulties out of all proportion to the actual position. Hence the importance of an up to date report on Canada's housing situation.

I would begin by saying that the government is fully aware of the large number of new housing starts necessary to maintain and improve our national stock of living accommodation. But if we are fair with ourselves, however, we must recognize that housing is inevitably subject to the same economic pressures as is every other major industry in this country.

In this connection let me make it clear to a great many people who do not seem to appreciate it that the disquieting experience of 1966, and admittedly it was a disturbing one, does not represent anything new even in our postwar housing experience. Hon. members from western Canada, more particularly from British Columbia, will recall the situation which developed some years ago in downtown Vancouver when people moved into the old Hotel Vancouver, walked in from the street

and took over. This is nothing to be proud of but these are the facts of life. The significant thing is that great progress has been made in housing within a period of 20 years. We can look with great satisfaction on the housing record from 1962 to 1966. Every year from 1962-63 through to 1966 there have been not only more completions but, with the exception of 1966, more starts. And even in 1966 we reached a figure within approximately 1,000 of our target for completions. How many people in Canada know that? We have maintained a good average over a period of years.

I am certainly not suggesting there have not and may not be times when certain problem areas in Canada exist and will continue to exist, areas where a shortage of housing will bring hardship to many families needing new homes. Nor would any responsible person suggest that this parliament or the government could sit back and allow the situation which we know exists in some of these areas, especially in metropolitan Toronto, to continue simply with the hope that sooner or later it will correct itself.

• (4:00 p.m.)

The Prime Minister in his remarks yesterday made the government's position perfectly clear. Aggressive action was needed and undoubtedly further action is needed at this time, but I might remind the house and the people of Canada that very effective action has been taken by this government during recent months. The mistake has been that we have been too busy with other things and have not told the people what has actually been done in this field.

And I would also remind the house, as became clear through a series of meetings I attended earlier this year, that the solution of our problems will not be found through the efforts of the senior government alone. Housing today is a most complex problem. In one province in order to get a public housing venture under way you have to go through some 14 different boards, agencies and bodies, which on occasion has taken as long as 28 months. Housing is a complex problem that will be resolved only with the full support of governments at all levels and with the wholehearted support and co-operation of every other responsible body and organization genuinely interested in finding a solution for the problem.

It was our attempt to find an answer that lay behind the series of meetings I convened earlier this year, not on my own but in co-operation with my provincial colleagues, endeavouring to generate a concerted program of effective action which would produce not only the greatly increased number of homes that were needed but housing of the type required to match our expanding variety of needs, including the replacement of near slum areas with decent, clean and warm housing.

I see some hon. members in the house who attended some of those conferences and I am sure they will bear me out that the conferences were well attended and were very worth while. They were informative. The responsibility was placed where the responsibility should be placed, and if there were shortcomings on the part of the federal government those shortcomings were pointed out, but the greater part of the criticisms was not directed toward what the federal government was attempting to do and was doing in this field.

There were nine of these meetings, jointly convened by the provincial ministers and myself, and they have been followed more recently by meetings with the representatives of the principal groups of private mortgage investors in this country, operating in both the conventional and N.H.A. fields, including the banks, trust companies and assurance companies. Yesterday I met for four hours with the presidents and senior vice presidents of every major assurance company in Canada and of many of the smaller ones.

Both series of meetings, the ones sponsored jointly with the provincial ministers and the ones attended by the representatives of the investment institutions, have given me confidence that notwithstanding a very slow start during the first quarter of 1967 this year we will see, and in fact are now experiencing, a very substantial return in housing. It was unfortunate that we had a very slow start in the first quarter of the year, but how many people stop to think that the reason we had such a drop in starts in that quarter was that we had diverted funds that would normally have been made available early this year to the last quarter of last year in order to improve the situation in 1967? I might say that the upturn in housing will surpass by a good margin our earlier expectations for the year.

My confidence is borne out by a reference to some figures. The figures indicate that as of the end of last month, April 30, loans under the National Housing Act were running at during the same period of 1966. In the last approximately three times the level reached

four months requests for undertakings to insure by approved lenders and direct loans by C.M.H.C. numbered 35,000 as against 12,556 in the same period last year.

This surge of activity is, of course, just now beginning to be reflected in actual housing starts. You first do your planning, you apply for the funds, you get them and then you start to build. The results are now clear. Preliminary figures for April show a total of 8,200 starts, up 26 per cent over the figure for the same month last year. I might say that April is usually a very good month and, as I say, the figure this year is up by more than 26 per cent over last year. This indicates house production at an annual rate considerably higher than in 1966.

More recent figures indicate that the rate for all areas in Canada is already close to a level of 160,000 units per annum and, Mr. Speaker, there is every indication that with a continuation of the increased level of lending the next month or two will see the yearly rate of production top our objective of 170,000 housing starts per annum. This 170,000 is not a mythical figure picked out of the air. It is the figure that we see quoted repeatedly in the newspapers as having been given by the Economic Council of Canada as the target for 1967, 1968, and the two or three years to follow. It is the figure which many people feared was completely unattainable for several years to come without vast increases in the number and amount of direct loans by the federal government.

Just to give you some idea of what it would mean if we did not get the private investors back into this field, the 20,000 starts that were authorized as of April 1 called for expenditures by the federal government, which this parliament has to authorize, of $300 million, and we must remember that we need 170,000 new starts a year. Any person with a sense of responsibility will realize that the thing which required to be done was to trigger increased participation by the private investors in this field and increased interest in public housing to take care of the wants of those in the lower and middle income tax brackets.

But, Mr. Speaker, the accomplishments that we have recorded thus far this year—and I think this is most significant—have been achieved without the very substantial impact on housing which will accompany the return by and the greatly expanded operations of our chartered banks in mortgage lending. How many people in this house know that the largest single factor which went into the building of houses in 1954 and 1955 was the lending by the chartered banks of this country? They went out of this field because of an unrealistic interest rate, the 6 per cent rate, at a time when under the National Housing Act interest rates were 6¼ per cent, later 6¾ per cent and for a short time 7¼ per cent.

I am happy to say that officials of the banks assured me just two weeks ago that we can look to them for very active participation in mortgage lending for housing. They were not permitted to re-enter this field until May 1 of this year but we have their assurance that they will enter it on a very substantial scale. This was welcome news. It was encouraging news to the government because it came as a direct result of action taken by the government and by parliament as a result of governmental action in bringing about changes in the Bank Act, given Royal Assent in late March, giving the banks freedom to provide money to operate at the same rate as the other lending institutions. With the N.H.A. rate at 7 per cent, as it appears to be today, the banks will be in actively at that figure, but how could one expect them to lend when they were forced out of the market by the bank's interest rate when it was frozen at 6 per cent?

• (4:10 p.m.)

Hon. members will be interested, I am sure, to know that there were a number of important factors which contributed to the development of the encouraging potential for new housing in 1967. First, to a substantial degree there has been a relaxation of the economic pressure which affected the residential scene so greatly and so adversely last year. I feel, however, that many people have not fully appreciated the significance of the government's action at the end of last November with regard to the establishment of a new formula governing the maximum interest rate under the National Housing Act. You will recall that we started out at a level of 7¼ per cent 1½ per cent above the long term yield on government bonds. In my opinion this realistic move on the part of the government is responsible in a large way for the upswing in housing which we presently are beginning to enjoy. By allowing this automatic adjustment on a quarterly basis, according to the return on the long term yield on government bonds, the rate now for the first time in history is sure of a competitive place among investment returns generally.

Representatives of the private investment community—and I have met a great many of

them in the course of the last 100 days—have assured me repeatedly during recent months that this has been the most significant move in bringing them back into the field on an increasing scale. This, of course, should result in a stable, not a spasmodic, flow of funds into housing. What possible chance was there to get a mortgage company, trust company or any other investment institution to lend money at a rate of 6¾ per cent, and before that 6¼ per cent, when they could get rates of 7¾ or even 8 per cent or more on money lent for the building of a warehouse or a factory or something of that nature? There was an insatiable demand for funds in the years 1964, 1965 and even more so in 1966. There was a demand for every available dollar for the construction of major power projects, pipe lines and projects in all these fields. I believe that any responsible person heading one of these lending institutions would have an obligation to see that the institution received not an excessive return but at least what the market was paying as a general rule. That return was not available from most investments in housing.

One very important thing in respect of this temporary increase to 7¼ per cent in the lending rate is the flexibility feature. I am sure it was gratifying to every member of this house to learn that the formula which was adopted at the end of November has already resulted in a decrease in the effective rate. It dropped from 7¼ to 7 per cent at the end of March automatically and may well result in a further reduction by the end of June. I am sure all members hope that it does.

Another vital factor in our progress this year, of course, is the success of the government's unprecedented spring program of direct lending to builders. Again this is a new move, a new venture. Although I, and I believe most of my colleagues, felt confident toward the end of 1966 that the year 1967 would see the return of the private lenders to fuller participation in housing, at the same time it was obvious there would be a time lag before some of these investors, especially the banks who had been out of the picture since 1956, could resume their lending position.

A heavy volume of starts in the spring, the prime building season of 1967, was imperative if new houses in adequate numbers were to reach completion during 1967. It was for this reason the government directed Central Mortgage and Housing Corporation to make up to 20,000 direct loans available to builders without any pre-sale guarantee. These loans were to be made available between April 1 and May 31. Actually, applications for such loans were accepted beginning on March 1, in order to enable builders to prepare enlarged production programs as soon as the snow was gone and the cold weather was behind us. This was to cover the period April 1 to May 31. However, by April 30 request for direct loan assistance had been received from all parts of Canada for almost the full 20,000 units. I think the figure was between 19,700 and 19,800 just before the final counting. I know that by April 28 the exact figure had exceeded 19,400.

In the same period last year, when loans were offered only to prospective home owners and builders who were constructing houses which were pre-sold, the applications totalled about 5,600. So we have 5,600 against 20,000 in the same period. Most of this has been during the period of just one month. In total, N.H.A. loan applications for approved lenders and for direct loans during the first four months of this year covered approximately 36,000 units compared with 14,655 units in the same period last year. Happily, Mr. Speaker, there also has been a very substantial increase in the number of conventional loans for housing since early March. This is in respect of apartment blocks and loans which generally are financed by the mortgage companies, insurance companies and trust companies. As I said earlier, there was a drop last year in starts of more than 30,000. However, the way loans are being made now the indications are that we will reach the level of 170,000 starts per annum in the very near future, perhaps within a matter of weeks.

The pace of mortgage lending by the private companies has quickened of late. The very important and heartening thing about this is that the great bulk of these funds are earmarked for the construction of sorely needed apartment units in major cities and municipalities, particularly in metropolitan Toronto and in Montreal. If you follow the news media—the newspapers, periodicals and air communications systems—you will realize that this is the area where the need has reached the most serious proportions. I look forward with confidence to a concentration of effort by these private lenders in alleviating as quickly as possible the serious situation which now exists in Toronto and to a lesser extent in one or two other major metropolitan areas.

• (4:20 p.m.)

I was questioned a few days ago, Mr. Speaker, about the effects of the amendment

to the National Housing Act which made possible loans for the purchase and improvement of existing houses. That legislation received royal assent in December of last year. This was new ground, involving new procedures. Actual purchases were at a low ebb in January of this year and they were not too active even in February. However, as a result of increasing activity in March and even more so in April, by April 28 approximately 1,300 loans had been made under this new arrangement, the majority within the last four or five weeks.

Although all but one of these purchases involved direct C.M.H.C. loan assistance, we anticipate as a result of discussions we have had in the past three or four weeks that in coming months we will note a number of loans from chartered banks because they are the institutions in the small communities where houses are available. We are sure they will join in our attempt to bring home ownership within the means of lower income families. By the end of April loans were being processed at the rate of about 500 per month. That is a very encouraging trend, representing some 6,000 per annum.

While there are many good reasons for optimism regarding a brighter housing picture this year, within the first few months of 1967 there has been an acceleration of national housing assistance to meet some of the more urgent and specialized problems which face us today. I refer to the attempt to provide accommodation for our elderly citizens, families and individuals with low incomes who are denied any real opportunity to compete for housing.

Mr. Deputy Speaker: Order, please. I must advise the minister that his allotted time has now expired.

Some hon. Members: Continue.

Mr. Nicholson: I do not know whether it is agreeable to hon. members for me to continue for a few moments.

An hon. Member: No.

Mr. Deputy Speaker: Does the house give unanimous consent to allow the minister to complete his remarks?

Mr. Churchill: Mr. Speaker, under ordinary circumstances we would allow the minister to continue. However, this government insists on the allocation of time by compulsion and I think we should follow that procedure.

[Mr. Nicholson.]

Mr. Nicholson: I shall, of course, abide by the wish of the house, but I recall that additional time was granted to two of the last three speakers from the opposite side as well as others.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to join with others who have preceded me in offering sincere congratulations to the mover and seconder of the speech from the throne, the hon. members for Burin-Burgeo (Mr. Jamieson) and Nicolet-Yamaska (Mr. Côté). As usual they lived up to the traditions of this house in the quality of the speeches they delivered as their maiden contributions. I am sure we will hear from them again but I should warn them that sometimes the heights which hon. members reach in delivering such formal speeches are never again reached as long as they sit on the government side. I hold out to them the inducement that in the not too distant future, perhaps at the time of the next election, they may yet come over to this side where they may enjoy the greater freedom which comes to those who are members of Her Majesty's loyal opposition. At that time they may give full effect to the quality which they displayed and which I doubt they will have the opportunity to display again.

Let me apologize to the Minister of Labour (Mr. Nicholson) for not dealing specifically with the subject matter of his very interesting speech. Let me assure him, however, that in the opposition lobby the line is already forming of hon. members who are eager and anxious to come to grips with the minister on that subject matter.

We are still involved in wrangles about the constitution and federal-provincial relations. The government has moved a step closer to the position some of us advocate and have advocated for a long time, namely, that there should be wider and more public discussion of this problem. Frankly I do not put too much stock in what was said in the speech from the throne, and this feeling was borne out by what the Prime Minister (Mr. Pearson) said when he spoke yesterday. It seems the government and its senior advisors cannot get it into their heads that this issue at this time should not be the prerogative of a privileged few. True enough, any changes made must take into account the existing jurisprudence, and the views of all experts in the respective governments will be needed when in due course firm proposals are drafted and legislation enacted.

In the first instance, surely these are matters which deeply concern the average Canadian. Surely he is entitled to participate in the discussion, to hear what is being said and to indicate whether in his view the federal or the provincial government is the instrument he would select to exercise jurisdiction in certain fields. These might include educational television, about which we have heard much lately, as well as external affairs, air and water pollution and assistance to urban development. The average person living in this country, regardless of whether he is a resident of Quebec, Ontario or some other province, is deeply and continually concerned about these issues. He may decide in his judgment that these things could best be handled by the provincial governments or by the federal government. It seems to me that what the government is doing by referring this matter to its technical committee is refusing to bring it into the open for discussion, and this is not consistent with the idea of hearing the views of the majority of the people. I suggest this idea of "big brother knows best" is a most aggravating and arrogant assumption.

I feel I am entitled to make these comments because my position has been consistent. I first raised this matter in this party four or five years ago and have dealt with it in speeches in the house. I placed a resolution on the order paper on March 13, 1964, reading as follows:

> That, in the opinion of this house, the government should forthwith consult with the provinces for the purpose of establishing a centennial constitutional conference to consist of a given number of Senators and Members of Parliament and an equal number of members of all of the provincial legislatures; which conference should meet in Ottawa and in all of the provinces to consider amending the British North America Act in accordance with the experiences of the past, the exigencies of the present and the needs of the future, including in such consideration the determination of those subject matters which are logically suited for general federal-provincial consultation—

That was well over three years ago and no attention was paid to it at that time. I placed another resolution on the order paper, in somewhat different terms but dealing with the same subject matter, which was debated on February 14, 1966.

If such a conference has been initiated in 1963, 1964, 1965 or even 1966 we might at this time be crowning the results in this year of our centennial celebrations by a new and useful approach in legislative form to our federal-provincial difficulties. Instead we see the problems magnified and deepening, dividing our country regionally and, unfortunately at times, racially. I can only say that the government's offer is too little and too late.

I cannot support the subamendment offered by the hon. member for Burnaby-Coquitlam (Mr. Douglas), without quarreling with its content. That attitude is consistent with the position I am now taking in that it is premature in the same way that the government's proposal is premature at this time. The result will be to bury this matter by referring it for consideration by a few technical experts. The first thing that is essential as a condition precedent is a thorough and wide-ranging public discussion on all levels.

• (4:30 p.m.)

After those words of criticism I am glad to say a word or two in commendation of the government for its proposal in the speech from the throne to consider new incentives for industrial, regional and economic planning in the north. I came into this house over nine years ago primarily to push the government into projects of this kind and became immediately concerned with the construction of a railway to Pine Point, which had been talked about for almost 40 years but which no government had ever looked at. The issue involved not only the railroad but the route, and it ultimately proved necessary to have the then government set up a royal commission to consider this issue. Despite opposition which came from all sides of the house and from many of the larger companies and industries involved, the former government was persuaded ultimately to select a route through Peace River and the railway was launched and built. Because it was built, and was built on the right route, the costs of construction were decreased, the time for building was lessened and the great mine at Pine Point came into production, other mines and mineral fields were discovered, and great timber resources which we knew of were opened and are now producing large quantities of lumber and plywood. The construction of the railroad and the collateral improvement of the Mackenzie by the government of Alberta and the federal government accelerated the exploration and discovery of oil and gas in the huge Rainbow lake fields, and thousands of people came into the country. Exploration was stepped up in the Northwest Territories. This was all done through a partnership arrangement among the government, the railway company and industry. To the extent to which the present government will take this as a model in their development of the north, they can count on my completely non-partisan support.

For the rest of my time, Mr. Speaker, I want to discuss two statements contained in the speech from the throne which are worthy of consideration, and in fact should be enshrined in the annals of this house. The first one is this:

> If the century that has passed can be characterized by the development of the resources of our land, it is likely that the century to come must be marked by an increasing concentration upon the development of the resources of the mind and the spirit...
>
> In one form or another science is already reaching into the very heart of the community to transform the lives of each of us. It is essential that the control and development of our environment keeps apace. We have built towns and cities, canals and railroads, highways and other great works of construction at an unprecedented pace. But we have too often in the past made beauty the poor sister of material gain and careless workmanship the price of easy profit. We must lose no more time in making ugliness in our environment as unwelcome as financial losses in our balance sheets.

And so on ad nauseam. If I were allowed to wear a hat in this house, I would take it off and bow three times at those beautiful words, words with which we must all agree but which have no place within the four corners of the speech from the throne which the government gave to His Excellency to read. The speech from the throne, as I construe it, ought to be a document envisaging a legislative program that this parliament will be asked to deal with in the course of the session to come. I can only surmise that somehow these fine words were misplaced and were probably intended to be used by the right hon. Prime Minister (Mr. Pearson) at some ceremony in the future when he would be receiving an honorary degree at a university and have by error found their way into the speech from the throne. The fact is that these statements and others like them, and the whole tone and content of the speech from the throne, are an indication that this government has now come into the open to indicate its determination to involve itself directly and substantially in all aspects of human life. Its actions in the past and this speech from the throne in the present is a periscope to look ahead into the future.

I recognize that governments must be strong and powerful within the limits of their authority; they must be armed with the right to act swiftly. But the point I wish to make is that this must always go hand in hand with the necessity of making a government accountable, and answerable, and if it is the intention of this government, as appears certain, more and more to take over the authority to tell people what to do, how to do it and when to do it in every field of human activity, then some way must be found to make them responsible.

Governments are becoming increasingly activist; they are moving into all areas of human activity. They act as transfer agents to redistribute wealth. They invade our privacy. There is not one area of human relations where this government is not intending to move. In short, they propose to become all-powerful and all-encompassing. This might be all very well if wisdom, intelligence, moderation and understanding were present to modify and mould their decisions. But governments are in the grip of and held firm by ordinary human beings. All too often politicians are looking to the next election, civil servants are engaged in empire building and struggling for prestige and promotion, pressure groups are seeking special privileges, there are even and a few purveyors of corruption. They are no worse, but certainly no better, than the rest of us ordinary people.

The laws that the government does pass are increasingly restrictive, curtailing and intruding upon our lives; and this means more than the laws we see on the statute books. Hardly a bill is brought into the house today that does not give to the executive uncontrolled discretion to legislate in secret by order in council or ministerial regulation. They even demand that we delegate this right to boards and tribunals. In this respect, unlike most other democratic countries, this backward and reactionary government has so far refused to establish machinery to permit this type of delegated authority to be examined and scrutinized under formal procedures.

Some years ago when we were debating the report of the first committee on procedure I asked the Prime Minister whether he was prepared to establish a committee to examine the delegating of authority. At that time he said he would consider the question and went on to say that the government was considering appointing an ombudsman. He said this consideration was to continue. It is still continuing. The time has come when members of this house must tell the government to do something about it. I hope that through the medium of the procedures committee some improvement may be brought about in this regard, because there must be some reform to compel the ever-growing power of the executive to be answerable and responsive in these matters.

The speech from the throne makes special reference to parliamentary reform, and I am

happy to see that this question is contained in the speech. I should warn the government that there is more to parliamentary reform than merely arming the government with the guillotine to shut off debate and curtail discussion at their whim. Our rules and standing orders are not the property of this or any government or of any group or person. The right to set conditions under which the house operates is and must continue to remain the exclusive privilege, collectively, of the individual private members, without regard to political affiliation.

It is for all of us in our capacity as members to arrange these rules so that we may do our duty according to the oath which we took upon becoming members, which takes precedence over all other loyalties. After all, this is not a private debating club nor is it an institution which meets meekly to place the seal of approval on the proposals of the government. Many of us are here because our people sent us to find answers to some of the tough and complex problems which perplex us. If we cannot even come to grips with the necessary requirement of our own procedures to permit us to do this job, there is not much hope for the country.

Yet this does not have to mean that the writ of the government must run 100 per cent in every matter of detail and on all collateral issues. Surely, once the basic policies and fundamentals of spending and legislative proposals have been adopted and decided in the house along party lines, there should be opportunity for the private members from all parties to speak, act and vote on the details, particularly through the committees system, with a less rigid party system than is now the case.

• (4:40 p.m.)

I am glad to hear the Prime Minister suggest the likelihood of this on some of the issues proposed for the coming session. Certainly on capital punishment and divorce and certain proposed changes in the Criminal Code and on several other items, there should be declarations as soon as possible that on matters such as this, which to a greater extent than in other issues so deeply affect the individual conscience and beliefs of the members, there should be complete freedom, even though the measures may be introduced, as they should be, by the government.

I hope that we will come to this position in a great many more of the questions which we have to consider. It is my belief that the party system has substantial benefits, but it can go hand in hand with more objectivity and independence on the part of the private members. As a matter of fact, I believe this objectivity and independence will strengthen the party system, certainly in the eye of the public.

We all belong to a party because we have great belief in the creed which it professes, and on the fundamental and philosophic problems there is an opportunity for parties to consider their positions and vote accordingly and to divide on such lines in the debates in the house on the basic programs. But there must be freedom of conscience and opportunity for the private member on the question of detail. Hand in hand with this we need to remove from the government the fear that every defeat need mean an election.

Procedures which will permit a more objective examination of bills and estimates before they have been poured into the mould of government enactments which harden and become inflexible must be worked out. For this to happen there will have to be a greater emphasis on quality rather than quantity.

Today when I hear the Prime Minister and other members of the government gloat and boast over the variety and number of the bills which they have enacted and intend to enact, I suggest to them that they restrain their enthusiasm until these bills have come back for amendment, change and modification in the light of the facts, because most of them contain substantial defects.

Governments—and this government in particular—have forgotten the cardinal principle of legislation, namely that the best bills and the best acts and legislation are those which conform to and follow the normal pattern of human behaviour, rather than run contrary and adverse to human nature. All too often in the last three or four years we have passed bills with too little regard for the capacity of the economy to absorb these measures or of the ability of the people to digest them, or even of the civil service to carry them out.

Without weakening government or diminishing leadership, it is plain that the elected members must assume a more useful and meaningful role in the machinery of democracy, and the frustration and weaknesses of the present system are not an environment in which freedom and independence can flourish.

All too often the decision a member has to make on a vote is a difficult and an agonizing one. This is particularly so for those who might harbour the treasonable idea that the

pronouncements from the top and the dictates of party may be loud, but are not always clear. It is only given to the truly faithful to be able to detect the divine nature of some of these revelations.

However, partly because of the shrill cries of those who are still fighting the doctrinaire battles of long ago, sometimes to carry out the pet schemes of civil servants, and frequently because of pure, political opportunism, the state is moving constantly and on a broad front to legislate, tax and spend: legislate, tax and spend.

I readily concede that there are still large areas affected by poverty, disease and ignorance where the public sector must intervene because the private sector has not been capable of solving the problems. This is something which is accepted in our society as it is today. But I dislike the interference, the red tape the increasing bureaucracy and the dwindling freedom of the ordinary citizen which this government involvement means. All too often, in an effort to deal with a particular evil, we end up by legislating in such a way that we invade the general rights of everybody and affect the entire community. We invoke the whole massive apparatus of the state when a more selective approach would be adequate. It is like using a nuclear missile to gun down a marauding crow. There is this constant deterioration in the capacity to enjoy freedom, to live life as a human being, fashioned in the image of the Creator, as a separate, distinct and highly individualistic person.

The state towers above us, huge, immovable, impersonal, with all the rules in its favour; with forms, red tape and bureaucracy squeezing out the colour and life of ordinary human beings, and with a future ahead of us looking more and more as a dreary, dull wasteland, adjusted to conformity, with the ultimate loss of the divine spark of individuality. No wonder people are being driven into the bog of television and other synthetic enjoyments, despite the bad taste of some programs, and the mealy-mouthed mediocrity of many of the public affairs programs and commentators.

The question which comes to me over and over again on these issues as they come up in the house for discussion, consideration and voting is: What is the real cost, not only in terms of actual dollars, but remembering that after the tax structure established by spending programs is reflected in the cost of living there is a very little real net return to those who are on the receiving end of these programs?

A year ago, on April 22, I referred to this particular issue in the house when I said the following:

> I have an idea that people would like us seriously to consider the problems presented by inflation. That word, of course, is a bland euphemism used by those in authority to express the fact that the prices of meat, milk, bread, shoes, taxes, rent and so on are all going up and up, so much so that there is reason to believe that one of the unidentified flying objects about which we have heard so much has been identified as the cost of living index.

Since I made that speech the cost of living index has gone up 4.6 points, and the cost of many of the programs which have been put into effect during the course of the last year has not yet been fed into the economy. This fact, the steady and relentless whittling away of the rights of the individual, and the enormous growth of the government, is the price we are paying for these reforms. The question then is: What must we do in this house to be able to reform our procedure and our rules so that when the government, as it apparently proposes to do, moves ahead on this broad front dealing with every aspect of human life, we in this house will be able to discharge the obligations to our constituents who sent us here to examine, scrutinize and analyse these things, to make sure that the price which is paid in the loss of human freedom and human rights is as small as we can possibly make it.

I fully realize that many bills will be passed, but the price which we are paying is far too great. We must have an opportunity to examine, scrutinize and make certain that the amount of liberty which is lost is as small as possible under the circumstances. More than that, when the government acting under the legislative proposals enacts orders in council and ministerial regulations there must be a procedure and a means whereby those can be brought back into the house for examination and scrutiny, so that we can ascertain their effect and impact upon the public. At the present time there is no means of doing this, and this constitutes a grave gap in the duty and responsibilities which we as members should exercise, on behalf of the people who sent us here. In looking many months ahead, which I believe we have to do if we take the speech of the Prime Minister and the speech from the throne seriously, we must organize, change and modify our rules and our means of carrying on the business of the country and the business of parliament so that the private

members, through the committees structure and through changes in the rules, will have opportunity to a greater extent than ever before to exercise the authority and the rights which we as private members must exercise.

• (4:50 p.m.)

There are many ways by which this can be done and I am not at this time, Mr. Speaker, going to go into them. As a member of the procedure committee I consider it my responsibility to wait until the committee is in session to bring forward my ideas. I hope, however, that we will have an opportunity to change, to moderate and to improve our antediluvian and anachronistic practices. I think we are farther behind in this regard than any nation in the commonwealth. There are many reasons for that and I do not think I need to deal with them at this stage. I do not want to usurp the functions of the chairman of this committee, but as a member of the committee I would invite hon. members to bring forward their ideas since it is literally impossible for all private members to appear before the committee.

As you may know Mr. Speaker, there is a very interesting practice in the United Kingdom under which the very distinguished Speaker, Right Hon. Dr. King, the party whips and party house leaders do appear before a committee considering procedure. The proceedings of this committee are conducted with the help and assistance of these distinguished members of the House of Commons in Westminster. There are transcripts made of the committee proceedings. We find, however, that the House of Commons in the United Kingdom, the Congress of the United States, the House of Representatives and the Senate in Australia are all struggling with the same problem. They are all feeling the frustration of the private members who desire very earnestly to make some contribution to the government of the country, but the rules do not permit them to do so. They find the government becoming increasingly powerful and less and less inclined to listen to the views of members. They are trying to work out a means of accommodation between the necessity for carrying on the multitudinous activities of the country and at the same time reserving to private member every opportunity to intervene, when in their view they have a duty to do so.

In this country, Mr. Speaker, with its diverse economic and geographical conditions, it is more than ever essential that this right be acquired. I hope that hon. members who have been in this house for some time and who have, I am sure, experienced the difficulties and frustrations, sometimes the agony, of attempting to make their contribution on behalf of their constituents or their country, will let us have their views. I believe that only in that way can a consensus be arrived at. I believe this is essential. I think we are at the crossroads because of the activities of the government which I have mentioned, and so there must be some considerable reform of our procedure in the near future or else, in my humble opinion, the institutions of democracy as we know them will pass out of existence.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, while I have been sitting here this afternoon listening to the other speakers in this throne speech debate I was informed that Margaret Konantz, who was a member of this house in the years 1963 to 1965, had died while in Fredericton where she was preparing to address a gathering on the subject of UNICEF. As you know, Mr. Speaker, she was the Canadian president of UNICEF and had spent many years of devotion to the interests of children. I know that everyone in this house will be most saddened to learn of the passing of one of Canada's great ladies. I can do no more this afternoon in honouring her than perhaps convey to the house some of the achievements of this lady, for they are worth recording in *Hansard* as the achievements of a magnificent woman.

She was born Margaret McTavish Rogers in Winnipeg, Manitoba. Her mother's family was connected with the Hudson's Bay Company. Her great great grandfather, Sir George Simpson, was the first governor of the Hudson's Bay Company and one of Canada's outstanding pioneers in the development of the country. Her mother, Edith Rogers, was the first woman elected to the Manitoba legislature which Margaret Konantz herself adorned with such distinction. Not long after her marriage to Gordon Konantz in 1922, she began a long life of service to Canada in addition to rearing her family of one daughter and two sons through whom she gained seven grandchildren.

From 1924 to 1929 she was a volunteer worker and treasurer of a convalescent hospital in the city of Winnipeg. In 1929, and for the next two or three years, she was associated with the Junior League of Winnipeg and responsible for starting the Ellice Avenue Thrift Shop. She became Canadian representative from 1933 to 1935 of the Association of

Junior Leagues of America. Then she became campaign chairman of the women's division of the Community Chest of Winnipeg, at a time when the campaign was organized through volunteer boards of member agencies. From 1935 to 1938 she was a member of the board of the Council of Social Agencies. In 1936 Mrs. Konantz became chairman of the Manitoba campaign of the Canadian Welfare Council concerning child care. During the war years she was one of a committee of five women who between September and November of 1939 organized the registration of women for war service and community service in Winnipeg. There were 7,000 women registered, and a mass meeting of the group decided that the organization should be called the Central Volunteer Bureau. While Mrs. Konantz was president of the Central Volunteer Bureau from 1940 to 1943 it engaged in many other war activities in connection with the Community Chest and the Red Cross.

This organization was also involved with the Patriotic Salvage Corps, and Mrs. Konantz was a vice president and trustee of that organization. Mrs. Konantz was also connected with the Bundles for Britain program, since she organized and maintained the downtown workroom for sewing and packaging of bundles for overseas. She was involved with the Greater Winnipeg Co-ordinating Board for war and welfare agencies. She assisted the Council of Social Agencies to form this board in 1941 and it included the Royal Canadian Legion, Knights of Columbus, I.O.D.E., Salvation Army, Canadian Red Cross, Y.M.C.A., Y.W.C.A. and the Navy League.

In 1944 she was requested by the Minister of War Services to visit Britain and make a survey of women's voluntary services, then report back to the federal government. Her report was used by women's volunteer service of Britain as a handbook for many years. Following this survey Mrs. Konantz travelled across Canada telling Canadian women of the appreciation expressed by British women for work done for them by Canadian volunteers. She was involved in the White Cross Guild which was organized in 1946 to provide service to the Winnipeg General Hospital. She then became vice president of the Crippled Children's Society in 1950. In 1955 she was invited by Lady Reading, chairman of the Women's Voluntary Services of Britain, to go to England. She spent one year there as a volunteer working with women's voluntary services studying principally their civil defence arrangements.

[Mr. Deachman.]

• (5:00 p.m.)

From November 1957 to February 1958 she visited the Asia region of UNICEF, now known as the United Nations Children's Fund. She saw work in Japan, Formosa, Hong Kong, Thailand, India, Pakistan, Iraq, Lebanon, Jordan and Israel. I recall her once telling us of her trip from Jordan to Israel and how she had to cross "no man's land" between those two countries. She had to pick up her bags at one station and walk several hundred yards across sandy desert to the gate at the other side, carrying her bags all alone through the desert, and how welcome she found the English voice calling to her as she entered the checkpoint on the other side.

She has promoted UNICEF work in Winnipeg since that time and has been speaking at many Women's Canadian Clubs in Canada. Many of us were familiar with her talks and slide shows and were immensely impressed by work of this nature which she did. In 1961 she was Manitoba campaign chairman for World Refugee Year. In 1961-1962 she was national vice president of the United Nations Association as well as national chairman of the membership committee for the United Nations Association in Canada. For her war service she was awarded the O.B.E.

Both this house and the country, Mr. Speaker, will indeed regret the passing of this woman and will rejoice that in Canada there has risen from such a distinguished family as hers a woman of such distinction to serve Canada.

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I deem it a pleasure as well as a duty to participate in this debate on the speech from the throne. Like other previous speakers, I should like first of all to congratulate the mover and the seconder upon the splendid speeches they have made. I listened with a great deal of attention as well as pleasure to the speech of the mover and also to that made by the seconder. Afterwards I thought that if they had written the speech from the throne it might have something in it which was more in line with what they said, and would be of a nature which could be complemented.

I also listened with keen attention to the speech by the Prime Minister (Mr. Pearson) in this debate, and I should like to deal with some of the questions he brought up. I have no doubt that he was sincere in his statements when he said he wanted to make this parliament work, that he wanted first of all to

bring in measures which would improve the work of this parliament and make it more smooth and efficient. If I address a few remarks to the house along this line it might be of some help both to him and to other hon. members.

I have been critical before, Mr. Speaker, but I think that anyone dealing with a subject of this kind must be critical; one must come to grips with the problem. We were told by the Prime Minister that he is going to experiment with the use of television in committees, but he did not tell us why he wished to do so. The Leader of the Opposition (Mr. Diefenbaker) suggested the use of television in this chamber so that our constituents and the people in the country could see what the members of this house are doing, what they are saying, be in a position to judge for themselves as to the attendance of hon. members and also to formulate their own opinions of the house. I see nothing particularly wrong with having television in this house, Mr. Speaker, but I do see a lot wrong with using it in committee sittings.

Let me deal with this point for a few moments. There are members of this house who, when the committees are set up, belong to three of those committees. Since there is no schedule man, there is therefore no one appointed to avoid the clashing of the times of committee sittings. Those who set up the committees simply go their own sweet way and schedule committee meetings, and if you are a member of two committees which meet at the same time, then obviously you cannot be in two places at once and have to choose one or the other.

Let us assume, Mr. Speaker, that the one you choose is not having its proceedings televised. In this event your constituents would note your absence from the other committee. The letters would start to pour in: "Ah ha, Mr. Member for East Kootenay, you were not in your seat in the committee". Of course, the reference might be to the member for Macleod or any other member. But the point I am trying to make is the practical one of avoiding conflicts and being fair to everybody. It would not be fair to the hon. member for East Kootenay if his constituents received the impression that he did not attend that committee simply because he had another committee to attend which, in his judgment, he felt of more importance. No one has yet come up with a solution to a problem of this sort, Mr. Speaker, and my guess is that no one has even thought about it.

There are many other aspects to televising committee proceedings in order to popularize them. It might be used to force attendance of Liberal backbenchers in committees. I have attended committees on many occasions and waited half an hour before we had a quorum.

Mr. Choquette: Just look at the attendance over there now.

Mr. Kindt: I might say that we always waited for Liberal members to attend committees before we could proceed. The hon. member who has just taken his seat stated the other day—

Mr. Choquette: Mr. Speaker, I would just like to mention the fact that there are only four Conservative members present in the house, and I want that to be recorded on *Hansard*.

Mr. Deputy Speaker: Order, please.

Mr. Churchill: There is no Liberal minister in the house either.

Mr. Deputy Speaker: Order. The hon. member for Macleod (Mr. Kindt) has the floor.

Mr. Kindt: I would point out, Mr. Speaker, that at the present time there are only ten Liberals in the house, and I want that to be on the record. There are at least a dozen Conservatives behind the curtain smoking and listening.

Mr. Danforth: And there are no cabinet ministers.

• (5:10 p.m.)

Mr. Kindt: I am trying to deliver a talk here with some principles in it which will assist in the running of this parliament. The people who are laying down the ground rules for television are doing so to ensure the attendance of Liberal backbenchers and all other backbenchers. I am one hundred per cent opposed to using public money to buy T.V. time in order to ensure that backbenchers in the Liberal party attend committee meetings. Hon. members opposite can laugh and snort all they like, but he who laughs last laughs best. I am only telling them the truth.

Why is attendance at committee meetings so unsatisfactory? What is the basic cause of the failure to attract backbenchers? I will tell the house what the trouble is. These committees are not set up in such a way as to allow people to take part and feel that they are making a real contribution. That is the problem. This is a situation which has existed for

a long time, and members opposite have perhaps inherited it. If these committees are to work properly, those who sit on them must be given something constructive to do. It is not enough merely to try to keep them busy.

There is a feeling among frontbenchers, none of whom is present to hear me—

Some hon. Members: Oh, oh.

Mr. Kindt: I am talking about frontbenchers, there is not one of them here. They are very good at handing down rules for backbenchers to follow. But they never sit on these committees.

Mr. Winkler: They never show up.

Mr. Kindt: When they do attend committee meetings they come to instruct backbenchers, not to receive advice. This is what has been happening ever since I became a member of this house, regardless of the party in power. This is the problem which must be faced if the weaknesses of the committee set-up are to be corrected. They will not be solved simply by putting television cameras into committees in an effort to ensure attendance, relying on the effect of letters from constituents, and so on.

As far as I am concerned I would be delighted to have television in committees.

Mr. Orange: Colour?

Mr. Kindt: Anything. As far as I am concerned it would be a good thing. But the principle of putting television in committees in order to attract attendance is a false one. It was inherent in the statement of the Prime Minister.

An hon. Member: When?

Mr. Kindt: Those members opposite who laugh are just types who will never do anything to contribute in any way toward improving the procedures of the house.

I served on the committee dealing with Indian affairs and northern development. We held meetings. Let me say, first of all, that every one of these committees has a preponderance of Liberals on it. All they do is pop up to support the minister and his policy. As far as the work of the committee is concerned, this is absolutely useless. If anyone cares to contradict what I have said I should like to hear him do so.

Mr. Choquette: Right now?

[Mr. Kindt.]

Mr. Kindt: I say that the committees simply do not operate effectively as they are at present set up. They do not work in a way which allows people who are elected members of parliament to be men among men. Members on the back seats over on the other side can snigger and try to poke fun, it does not disturb me one bit, because I just consider where it comes from. I take it as I would a kick from a mule, and say the poor brute does not know any better.

Mr. O'Keefe: Would the hon. member permit a question?

Mr. Kindt: I shall be glad to answer questions when I am finished.

The front benchers of the Liberal party make decisions as to what backbenchers shall do. They expect backbenchers to sit on these committees. After all, that is why the committees were set up—to give hon. members something to do and make them happy. This purpose has certainly not been accomplished. The members on these committees are not happy, otherwise they would attend meetings and it would not be necessary for the Liberal whip to telephone government supporters in an effort to get them there, and then wait half an hour for the meeting to begin—and then, often, without a quorum. There is something fundamentally wrong.

Committees of this house lack basic, fundamental authority and this weakens the work of parliament. To correct this weakness a way must be found of giving to the people's representatives a role of importance to play; regardless of whether they sit on the front or on the back benches of this house an opportunity must be given for their thoughts to find their way into legislation. As things are now, the committees are not functioning effectively. Hon. gentlemen opposite intend to resort to television in an effort to make them function. Isn't that stupid? Is that not typical of a decision made by someone on the front bench who does not even sit on committees?

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

Mr. Kindt: After I have finished I should be glad to answer all questions.

I have said before that if and when television is introduced into committees it will be necessary to appoint a schedule man to set up these various meetings at different times.

An hon. Member: That's it.

• (5:20 p.m.)

Mr. Kindt: Mr. Speaker, I would ask you to ask that fellow to get out of the room because he is doing nothing but interrupting. I do not interrupt him when he is talking and I would ask the same treatment from him.

Mr. Choquette: Him? It's him.

Mr. Orange: No, it's him.

Mr. Kindt: He is just an hon. member of the house and if he has not learned yet, because of his brief stay in the house, I will tell him he is supposed to keep quiet, and I think it is up to you, Mr. Speaker, to act on my request.

Mr. Deputy Speaker: Order. I should point out that the hon. member for Macleod has the floor and under standing orders he has the right to make his statement without being interrupted, except to ask questions or to raise a point of order. I would ask hon. members to observe the standing orders.

Some hon. Members: Hear, hear.

Mr. Kindt: Thank you, Mr. Speaker.

Mr. Choquette: May I ask the hon. gentleman a question?

Mr. Kindt: I have already indicated to others that I shall be glad to answer questions at the end of my speech because there is a time limit on it.

Mr. Choquette: Is it a long speech?

An hon. Member: Is that your question?

Mr. Kindt: One of the things which the Governor General indicated in the speech from the throne is that the Prime Minister intends to have another vote on capital punishment. Much less than a year ago we had a vote on capital punishment. It was a free vote, but since then the government has not carried out the will of parliament. Therefore I ask, what is the use of backbenchers even attending or being in parliament? We voted on capital punishment but what has the government done? They have laughed at parliament; they have not carried out its will. Now they are going to have another vote, rigged in some way so that it is a government measure, and so that when the government pulls the string it will have the backing of its supporters, and thus bring about a favourable result. That is their intention.

I say to the government that if they want to have another test on capital punishment, then let them put it in the form of a plebiscite to the people of Canada. Let the people of Canada decide, instead of the government deciding. Parliament has already decided and we don't need another vote: All we need is a government that will carry out the law as it now stands.

In my view all votes in this house should be free votes. The free vote on capital punishment was the first in my almost nine years in this house in which I thought my vote was helping to decide an issue. I thought that issue was decided; but now the Prime Minister says we are going to have another vote. He did not like the last one.

I do not want to become personal, but the people in the country are talking about this. They have talked to me in my riding and said, "You had a vote and decided the question of capital punishment less than a year ago. Why are you going to take another vote? The issue is just the same as it was six months or a year ago." My suspicion is that the government is going to wrap this thing up in some way that will make it more palatable to members of parliament.

We have laws concerning capital punishment on the statute books, and if the government is not going to enforce them, then what is the good of this parliament? What is the use of backbenchers if, following their vote, the government decides it will not handle things the way parliament wants them handled? I say we are up against dictatorship; and we are up against dictatorship when it comes to the workings of committees. These ministers opposite don't give one damn when it comes to committees. They pay no attention to committees. We have discussions in committees and make recommendations from committees, but the ministers go their own sweet way.

If parliament is to work we should have a proper mechanism whereby ministers attend committee meetings where committee members can ask them questions and ascertain their views on various subjects. It is our hope that the ideas which come from committees may be translated into legislation, but that for the most part does not happen now.

Frontbenchers on the government side listen to the civil service establishment but not to backbenchers on either the Liberal or opposition side. Ministers like to get committees working so that backbenchers will feel happy, thinking they are doing something constructive. Those ministers have a philosophy about committee work, that it is like a log going

downstream with 10,000 ants on it, and they want backbenchers to feel that every ant is steering the log. But what ant has got anything to do with steering the log? Each ant is just there as a fixture—and we are all in the same boat.

What I am saying is that we are not grappling with the problem of making parliament work effectively. I have talked to many Liberal backbenchers, and much of what I am saying today stems from their reactions. Backbenchers on both sides of the house share these views. If the Liberal party now in power wishes to improve the working relations among members of parliament, let it grapple with this problem. Let it come up with some ideas that will meet this feeling which backbenchers have. Give backbenchers something to look forward to. Give them a feeling that they are a part of this show. Give them something to do that is constructive.

Ministers say committees will discuss this particular legislation and that particular legislation, but after the committees have done their work the ministers do not even read the committee reports. They don't even look at them: They laugh at them, and backbenchers know this. If you are going to make this parliament work, come down to brass tacks. This is a feeling which is shared on all sides of the house. We should get down to the fundamentals of change so as to make parliament work better.

• (5:30 p.m.)

This is being disregarded. Cold water is being thrown on the efforts of parliament from one end of the nation to the other. A provincial conference is convened, the federal cabinet meets with all the provinces, and then comes up with some finished thought on the subject. Then perhaps they put it in the form of a government motion, which means it is rubberstamped. But not even the backbenchers on the Liberal side of the house have anything to say even in caucus about this policy. This is what they tell me.

If we are to correct some of these things we must grapple with them and find a solution to them. Parliament in its present form and in the way its committees are set up is not working. We are not getting the best there is from these people.

I should like now to talk about one or two other points. First of all, this morning I mentioned to the Minister of Indian Affairs and Northern Development (Mr. Laing) that there are many things going on which he should know about. There is in particular the petition from 324 people of Banff who are protesting against the policy of this government on leases. In this connection I should like to read an editorial from the Calgary *Daily Herald* of Saturday, March 18, 1967. It reads as follows:

Residents of Banff and Jasper national parks have every right to be upset over recent news from Ottawa. A Commons committee which has been examining new parks leasehold policy being proposed by the parks branch of the federal department of northern affairs has approved it. In so doing, it has rejected objections which leaseholders in the two parks had registered against the new policy.

Under the new policy, commercial leases will be granted for a limited period of forty-two years without the leaseholder receiving payment for the improvements he has constructed on the property at the time the lease runs out. Vague assurance is given that the lease might be renewed under some partnership principle, but the simple fact is the investor will no longer own his buildings and improvements. Since it might be expected that a leaseholder would want to retire and turn his business over to someone else before the forty-two years was up, he would find himself in a difficult position. Who would want to buy up his business if it had only a few more years to run? Who wants to invest in a business which lacks the prospects of permanence? And who wants to build up a business which someone else is going to grab without compensation?

Furthermore, what businessman would continue to pay the costs of maintenance in first class condition of a building or buildings during the final few years of the lease, knowing that a fair value return could not be expected when the property had to be turned over to someone else without so much as a thank you when the inevitable deadline finally arrived?

Hon. Arthur Laing, the minister of the department in charge of the national parks, continues to have an unfailing instinct for keeping the people in the two big mountain parks in an unhappy state of alarm and dissatisfaction.

Despite his many protestations to the contrary, he and his staff of Ottawa civil servants still cling to the outdated concept that the mountain parks must be maintained in a semi-wilderness state to be passed on unimpaired (which can only mean practically unused) to future generations. This constitutes an utter denial of the more realistic view that the great scenic regions should be opened up in reasonable measure to growing numbers of scenic-hungry people.

What is the point of having beautiful scenery if it cannot be enjoyed at leisure except by a fortunate handful of people?

The towns of Banff and Jasper are there, whether or not some people wish otherwise. The railroad lines, the modern highways are there. And people want to travel over them. They want to find hotels and motels and camp grounds and services there. They want modern services and amenities. And who is supposed to provide these things? Not the government, we hope. This sort of thing has to be done properly and governments rarely do anything properly.

If private enterprise and private investors, who know how to do these things properly, are to be expected to go in and develop the service areas, they have to have inducements of reasonable financial rewards and reasonable treatment.

The Deputy Speaker: Order. I must advise the hon. member that his time has expired.

An hon. Member: Continue.

The Deputy Speaker: Is it agreed that the hon. member may continue?

Some hon. Members: Agreed.

Mr. Kindt: Thank you, Mr. Speaker.

It is high time the mountain parks were taken out of the hands of bumbling Ottawa bureaucracy and placed in the hands of someone, not a new wing of bureaucracy such as the proposed new leaseholds corporation which is a creature of the federal department based in the east, but someone who knows what the problem of park development is all about.

We have here and now a vivid example of that.

So, Mr. Speaker, I shall conclude by saying that I could go on to mention half a dozen other matters which I have on my list, all of which I feel are problems which should be solved by this government, not only in order to ensure that the work of the house would be carried out properly but also in order to get things going properly in the country.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I should like to begin this afternoon by expressing my sympathy to the family of Margaret Konantz, a former member of this house, who died this afternoon. Although I did not sit in this house when Mrs. Konantz was a member, I have known her for many years through her work with UNICEF. I always admired her. On several occasions I had an opportunity to meet her at conventions of this party. As has been mentioned by another hon. member, she leaves a great legacy for Canadians.

I should also like to congratulate my colleagues of the backbench who moved and seconded the speech from the throne. I believe the speech given by the hon. member for Burin-Burgeo (Mr. Jamieson) was one of the greatest I have heard in this house in the year I have been here. He certainly makes it difficult for other backbenchers, including myself, who follow him.

In the speech from the throne which was given this week there was mention of parliamentary reform. It seems that many members of this house are interested in this subject because many of them have used it as the basis for their speech. As a matter of fact, this afternoon three speeches have been on the subject of parliamentary procedure. The speech from the throne in one part said:

Canada in embarking upon its second century of federal government, must provide its parliament with every facility to ensure that efficiency and thoroughness of deliberation, which, in the consideration of every item of public business, is alone the sure protection of the liberty and well-being of our people.

● (5:40 p.m.)

In his speech to the house yesterday the Prime Minister (Mr. Pearson) reiterated that wish and made more specific recommendations. This afternoon I should like to take the opportunity to support those statements and to make a few observations and recommendations of my own. Let me refer to some of the things that the novice member of parliament, immediately to reform our rules to put parliament, when observed in action from the floor or the galleries.

We often find it difficult to understand why there is so much irrelevancy and repetition, why the house often is empty, why it takes so long to introduce and pass a bill, why a small minority can obstruct the country's business, why the house cannot defeat a government bill without defeating the government and many other similar things. Many such things disturb observers of this house in action. After one hundred years of confederation the people of Canada are no longer satisfied with either the productivity or performance of parliament. They feel something must be done immediately to reform our rules to put parliament into the twentieth century.

In his speech yesterday the Leader of the Opposition (Mr. Diefenbaker) said that parliament is the embodiment of our liberties and freedoms, and therefore it cannot be efficient in the same way as a business or company is efficient. That is true, because parliament is a debating forum and a place where policy is discussed and ideas are exchanged, rather than a monolithic administrative process similar to a business or a company. As the Leader of the Opposition said, parliament cannot grind out legislation like a sausage producing machine.

Nevertheless this does not mean that our rules are as satisfactory or as efficient as they might be in order to promote the real purposes of parliament. Before we can really discuss reform of our parliamentary rules we must decide what are the real purposes of parliament, for it is only in knowing where

we are going that the purposes, goals and ends of parliament can be determined. Once we have decided this we can determine how effective are our rules.

Let me refer briefly to the functions and purposes of parliament. Among other things parliament is a legislature in which we enact legislation. It is a forum in which to discuss the policies of government; a body to keep a check on the administration and to examine their spending estimates. It is a body to vote funds necessary to support government programs. These are the purposes or parliament and our rules must serve them effectively.

At this point I should like to make some recommendations in respect of our procedures. I realize I am a relatively new member and that many of these recommendations may have been made before, but I should like to put them on record. Perhaps they will be of some help to the parliamentary committee on procedure. It was the hon. member for Peace River (Mr. Baldwin) who said this afternoon that he was a member of that committee and would welcome recommendations.

First, with respect to irrelevancy and repitition, standing order 34 (2) reads as follows:

> Mr. Speaker or the Chairman, after having called the attention of the house or of the committee, to the conduct of a member who persists in irrelevance, or repetition may direct him to discontinue his speech, and if then the member still continues to speak, Mr. Speaker shall name him or, if in committee, the chairman shall report him to the house.

It would seem to me that one of the rules which is violated more often than others in this house is that rule in relation to irrelevancy and repetition. I have often wondered why that rule has not been enforced more strictly. I think if it were we would have a much more efficient and interesting parliament.

Second, I should like to propose that the debate on the speech from the throne be limited to three days. The eight day period may have been acceptable 20 or even 10 years ago, but today we no longer have time for such indulgences. In the United Kingdom the debate on the speech from the throne is limited to five days, and I believe they have more than twice the number of members we have in Canada.

Third, I should like to recommend that the debate on the budget speech be limited to three days, and that members be restricted in their speeches to matters referred to in the budget or to matters of national economic importance omitted. Again in the United Kingdom the debate on the budget speech is limited to three days.

Next, and fourth, I should like to recommend that speeches in the house be limited to thirty minutes, and in the commitee of the whole to twenty minutes. It is my belief that anything one might want to say can and should be said in that time, and that such a rule would provide for a greater number of speakers and greater interest in the house. It becomes very boring when one sits here for 40 minutes or an hour listening to a speech. If we had shorter speeches we would have a greater variety. They would then be of greater interest and more members would be able to participate.

My fifth recommendation is that the business committee be used throughout the session of parliament and that an allocation of time be given to all items. When a session opens, the government should immediately place a great portion of its business on the order paper to be referred to the business committee where it would be given a priority and allocation of time.

Sixth, I would recommend that parliament itself should be given a fixed timetable for its sessions, adjournments and recesses. In this way the government, opposition and all members of parliament would be better able to plan their programs.

As my seventh recommendation I would suggest that when divisions are called in the house the ringing of the division bells be limited to a maximum of 15 minutes. I cannot remember the number of times I have sat in my seat for 30 minutes or more while the bells rang, waiting for members to come in to vote. Again to refer to the United Kingdom, there the division bells are limited to six minutes; yet the city of London is much larger than Ottawa and it is more difficult to get to parliament to vote. I do not think we can afford the luxury of an unlimited time in this regard. It only encourages absence and inefficiency.

As my eighth recommendation I suggest that votes in the committee of the whole be organized so that they may be allowed to stand at the request of a certain number of members. When we are dealing with a long bill with hundreds of clauses, such as the transport bill which was dealt with last session, there may be as many as 20 votes in an afternoon without any bell or notice. In such a situation it is necessary for all members of the house, including members of the cabinet to be on hand at all times. I might note that on one

occasion the government was defeated on one clause by one vote. This is a serious hindrance to ministers and members of the house who must remain in attendance and leave their departmental work and other commitments.

May I offer as suggestion number nine that the question period should be organized so that each minister will be scheduled to answer questions at certain set periods throughout the week, and that they be given at least 24 hours notice of each question unless it is of urgent national importance. Again, this is the rule followed in the United Kingdom.

This system has several benefits. It allows ministers to better organize their time for departmental duties and helps them to prepare answers to questions. I believe it would also provide a more useful question period with better questions and more information, and with less time devoted to political barbs and announcements. On several occasions in this house during the question period I have observed that more than half the allotted time is used for asking questions which are ruled out of order, and rulings by Mr. Speaker giving reasons why they are out of order. If 24 hours notice were required and questions addressed to specific ministers were limited to specific times, I believe we would have better questions and answers and a better question period. I might add that under such a system, just as in England, supplementary questions are allowed from the floor. I think that is quite proper.

• (5:50 p.m.)

My tenth suggestion is that it might be a good idea if private members had the right to second any government or private members bill or motion and that this seconding should be registered in the orders of the day and *Hansard*. In this way a private member would be able to come out in favour of a bill or motion without making a speech, and he would be on record in *Hansard* as being in favour of the particular proposal, whether it be a government or private members bill or motion.

Eleventh, Mr. Speaker, I would recommend that the reading of newspapers in the house be banned. We do not allow smoking, eating or drinking in the house, and I do not think we should allow the reading of newspapers. I very often hear from visitors to our gallery that the thing that disturbs them most, although it is really not that important in substance but causes the greatest scandal, is the reading of newspapers in the house. We do not allow the smoking of cigarettes or cigars, eating or drinking in the house, and I do not think we should allow the reading of newspapers, because of the scandal that is caused in the public mind. The reading of reviews and textbooks is necessary in the house because sometimes hon. members need them in making a speech, but I do not think the reading of newspapers is necessary and it should be banned.

Twelfth, with respect to committees I would propose that they be given a larger staff and budget in order to do a better job. Committees have done a very good job. In this respect I differ with the hon. member for Macleod (Mr. Kindt), who thinks they have not done a good job. If committees were permitted a larger staff and budget they would be able to do the job still more properly. I think committees are an excellent way of studying legislation in detail and bringing expertise and outside opinions before the house. In the United States and Canada experts cannot come to the house and give their opinions, but through our committees system we could hear expert opinions and thereby do the best job for the Canadian people.

Also with respect to committees, I recommend that they be allowed to sit throughout the session, including periods of recess, and have the power to travel whenever they decide to do so. I also recommend that the quorum for committees be reduced to one third from the present one half of the members. I have studied the rules that apply in the United Kingdom and the United States Congress, and in both those places the quorum is one third. I believe that the volume of business we have to do in the house, in our offices and the library, and considering the number of committees hon. members have to attend, makes it impossible to achieve a quorum of one half of the members. I think this quorum is unrealistic. I disagree with the hon. member for Macleod that many committee meetings had to be delayed because of lack of a quorum. I know that the committees of which I was a member, and I was a member of four, were not delayed for this reason, although I have heard from time to time that committees have been delayed because of lack of a quorum. However, I think this has been the exception rather than the rule.

My thirteenth recommendation is that the proceedings of parliament be made more acceptable to the public. In addition to the televising of parliament and committees, I think something should be done to make *Hansard* more attractive and more widely distributed.

Before dealing further with that matter I should like to make a few remarks on the comments made by the hon. member for Macleod. In the speech which the hon. member made just before I rose, he suggested that the Prime Minister had recommended the televising of committee work in order to guarantee the attendance of members. To put the record straight I should like to read what the Prime Minister said. From my reading of *Hansard*, he recommended that the televising of committee proceedings would help to communicate to the public the work of parliament. He said nothing whatsoever about the attendance of members. The Prime Minister said, as reported at page 55 of *Hansard*:

> I would like to join with the right hon. Leader of the Opposition in expressing the hope that during this session some experimentation in regard to televising our procedures might be attempted, beginning perhaps with committee deliberations. In this way the people of Canada themselves could be brought more intimately into contact with the processes, the aspirations and the problems of their government institution. This might have quite an effect on the attitudes, the words and the manner of our debates, particularly if we knew they were going into the drawing rooms of the nation.

The Prime Minister said nothing about the attendance of members. I agree that the televising of our proceedings would have something to do with the way in which debates are carried on, because when we know there are people from our constituencies in attendance in the gallery we try to put on a better performance than we would otherwise.

I made reference to *Hansard* and said that I thought it should be made more understandable and accessible to the general public. I think that *Hansard* right now is too much like an academic treatise and is too foreboding for the general public. In addition, it is too difficult for them to obtain. I think *Hansard* should be printed and bound more attractively, better indexed and perhaps accompanied by monthly summaries. In this way the ordinary man could have access to it and find out what his member of parliament has done and said with respect to a particular subject. *Hansard* should be distributed in a way in which it will reach a much greater number of Canadians than is now the case.

Fourteenth, Mr. Speaker, I believe that parliament should be provided with more research staff. This should apply not only to the cabinet and the official opposition but to all private members. With respect to private members, I liked the private members resolution which was placed on the order paper last session and discussed during private members hour, to the effect that a certain number of graduate students on a special scholarship should be assigned to assist private members with research. I believe the hon. member for Peace River (Mr. Baldwin) made that suggestion, and I supported it at the time.

Finally, and fifteenth, with respect to votes on government bills and motions it is my belief that they should not be considered as votes of want of confidence. In the present situation, whenever an hon. member votes on a government bill he is not only voting on the goodness or badness of the bill but also on the acceptance or non-acceptance of the government. From time to time a member is faced with the situation where he cannot support a government bill but still has complete confidence in the government. Faced with this situation, he is usually forced to vote for the bill or abstain, rather than defeating the government and forcing an election. I believe that parliament would function much more efficiently if the government could be defeated only on specific non-confidence motions. Such a system would encourage greater responsibility by individual members, would result in more research, better informed members and probably better legislation.

As I said at the beginning, Mr. Speaker, I am putting these suggestions on record not because I believe they are necessarily new, the last word or without flaw, but merely as a basis for discussion perhaps by the committee on procedure. One thing of which I am certain is that we must do something in this house to improve our procedures and rules, because the volume of business before the house demands it and the Canadian people demand it.

Mr. MacEachen: Mr. Speaker, I rise on a point of order. I have consulted the house leaders on the other side of the chamber and it is agreeable that we revert to motions in order to permit the Minister of Finance (Mr. Sharp) to make a short statement. If this is agreeable to the house, I ask that it be done.

Mr. Deputy Speaker: Does the house agree to revert to motions for the Minister of Finance to make a statement?

Some hon. Members: Agreed.

• (6:00 p.m.)

FINANCE

STATEMENT ON TAXATION COMMISSION REPORT RESPECTING MINING AND PROSPECTING

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the government has announced

that it does not intend to come to any conclusions concerning the recommendations of the royal commission on taxation until after it has had an opportunity to receive the views of taxpayers, experts and various associations. We plan to begin taking decisions in the fall of this year as to the major aspects of the tax reform.

In the meantime a number of taxpayers have made representations to us that in some instances the very uncertainty introduced by the royal commission report is causing them to act as though the recommendations of the commission had been adopted by the government. This is particularly so with respect to the incentive provisions which the commission recommended be withdrawn.

We have given careful study to see what we could do at this time to minimize these uncertainties without prejudicing the government's freedom of action in determining the ultimate shape of the tax reform it will propose to parliament. We have concluded that it is appropriate for us to give two undertakings so that people can carry on with the development of important projects in respect of which the incentive provisions now in the law are quite important.

The first undertaking concerns the three year exemption for new mines. We have concluded that should the government decide to propose the removal of this incentive, it would not do so in a manner that would remove the exemption with respect to income earned before January 1, 1974, nor would it in any essential manner change the method of application of that exemption before that date. The effect of this undertaking will be that companies which now have projects in the planning stage will have the years 1968, 1969 and 1970 to come into commercial production in time to receive a full 36 months exemption. In establishing this period we have taken account of the time required to bring large projects into production, particularly in areas where transportation and weather are important factors. This period will afford companies the time necessary for the extensive preproduction development work and the construction of ore processing facilities required before commercial production can begin. It is felt that this undertaking should permit companies which will be faced between now and the end of the year with decisions involving a commitment of substantial sums of money to proceed in the expectation of receiving the benefits of the three year tax exemption.

The second undertaking concerns the treatment presently accorded to prospectors and their backers under section 83 of the Income Tax Act. Should the government decide to propose the withdrawal of this incentive, we would not do so with respect to amounts received before January 1, 1969 that relate to properties or interests acquired before January 1, 1968. We believe that this undertaking should minimize the effect of the commission's proposals upon 1967 exploration programs.

I wish to emphasize that this announcement does not mean either that the government has adopted the commissioners' recommendations or that we have rejected them.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, all I want to say is that in the absence of the hon. member for Skeena (Mr. Howard) who asked yesterday whether the minister would make a statement, and on his behalf, I should like to thank the minister for clarifying the situation.

Mr. Bert Leboe (Cariboo): Mr. Speaker, in view of the fact that I also asked this question several days ago and received the same answer as did the hon. member for Skeena I wish to say that I too am very pleased, and I am sure that the government and the people of British Columbia will be very pleased by this announcement, because some half a billion dollars worth of projects were put on ice as a result of the uncertainty with regard to this situation.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, may I call it six o'clock.

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: Order, please. Perhaps the hon. member for Vancouver-Kingsway would allow me to make a short statement. The house will then be able to hear the hon. member at eight o'clock.

Before leaving the chair, I think it might be helpful if the Chair were to make a brief reference to the adjournment proceedings.

In accordance with section 3 of standing order 38, the subamendment proposed earlier this day by the hon. member for Burnaby-Coquitlam (Mr. Douglas), must be disposed of before the house adjourns at the close of this sitting.

That being the case, it is the opinion of the Chair that the adjournment proceedings which might otherwise have taken place at 10

p.m. tonight, will be suspended. In this regard, I should read to the house section 5 (b) of the provisional standing order 6 which, in the opinion of the Chair, applies in this case. That standing order is as follows:

When a sitting is extended pursuant to section (6) of this order, or when it is provided in any other standing order that the business under consideration at the ordinary time of adjournment shall be disposed of or concluded, the adjournment proceedings in that sitting shall be suspended and that sitting shall not be adjourned except pursuant to a motion to adjourn moved by a minister of the Crown.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Douglas.

[*Translation*]

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, the speech from the throne was awaited impatiently this year by all Canadians from the Atlantic to the Pacific. They were waiting hopefully, expecting that in this year of the centennial, the government would mark this anniversary by giving a clear indication of the first legislative steps essential to resolve some of the most urgent problems facing the families of this country. Their hope and their expectations were increased when the Governor General said these words:

This centennial session of parliament provides an opportunity to begin to give effect to our aspirations for the second century of confederation.

What did the government give them? A legislative program? Not at all. A 5,500 word composition filled with pompous generalities. A vision of the promised land without a single road map to reach it.

But even before the speech ended, one could not avoid the suspicion, almost the certainty, that with the present leadership, we would never reach it. There are too many studies in depth, too many white papers, too many task forces that risk misleading us.

[*English*]

Now, Mr. Speaker, in order to prove myself bilingual I shall turn to the language I know better. I want to say that the speech from the throne sounds very impressive until one begins to reflect on the wide gap between the government's glowing promises of a Canada filled with many, many good things, and its actual performance. Consider the question of housing, for example. I do not intend to deal with it in detail because some of my colleagues will do that, but I wish to refer to it. At the moment this is Canada's No. 1 domestic problem; yet in this 5,500 word speech there are just 38 words devoted to the problem of housing. I shall read them:

You will be invited to consider new housing programs which, while recognizing the primary responsibility of the individual and the other levels of government in the provision of housing, will help to fill requirements that clearly lie ahead.

I want to say that, in my view, today the primary responsibility for providing the housing that is needed in Canada lies with the federal government. In addition the federal government, together with the provinces, should make an over-all assessment of what is required. In my view, that is the primary responsibility today. It is not the primary responsibility of the individual, as the government claims, because today many individuals are quite helpless in so far as their housing needs are concerned.

This afternoon the minister responsible for housing spoke to this house. In view of the statements made in the speech from the throne, we expected he would give us at least a brief outline of what was in store, in the line of housing legislation. He did not do so. Actually what he gave us was a review of the policies of the last few years which resulted in a shortage of at least 20,000 homes, last year to say nothing of the great backlog of housing needs that has been piling up over the years. He referred, in a tone of satisfaction, to the years between 1961 and 1966—I believe those were the years he mentioned. He said that we could look with great satisfaction, and he repeated "great satisfaction," to our achievements in the field of housing. Yet just two years ago, within the compass of the period he mentioned, the minister made this statement with regard to housing:

For all the talk about what we intend to do, for all our efforts, nearly 100,000 Canadian families live every moment of their waking lives under housing conditions that are really appalling—a disgrace to the communities in which they reside.

I may add that they are a disgrace to the country in which they reside and to the government which is charged with looking after the needs of these people. I see no cause for complacency. I know the minister is deeply concerned about this problem, but I see no reason why he should be complacent about it or mislead people to believe that the problem is under control. It is very far from being under control today. The situation is infinitely more serious than it was when the minister pronounced those words two years ago.

One does not have to take my word for this or the word of housing people or social welfare workers. The joint Senate and House of Commons committee on consumer credit and the cost of living has just tabled a report in which the committee used these words,—and I want to emphasize them:

> Your committee feels that there is an overwhelming need for a national housing plan based on the premise that every Canadian deserves a decent place to live in. Good intentions in this field have abounded but progress has been unsatisfactory ... After hearing testimony on the subject your committee concludes that housing has been a neglected poor relation for far too long.

The report ends by recommending that the federal government assign a higher priority to the problem of housing in Canada than is the case at the present time. We must remember that this was an all-party committee composed of members of the Senate and the House of Commons. It was the considered opinion of that committee, after taking testimony across this country, that for far too long housing has had a low priority on the government's agenda. The committee urged that it be given that low place no longer, that it no longer be considered a poor relation. Probably the minister hit the nail on the head this afternoon when he said the mistake had been that we had been too busy with other things. I sincerely believe that has been the case, and that these other things were not half as important as the question of housing.

• (8:10 p.m.)

I turn now to that part of the speech which deals with the government's intention to set up a department of corporate and consumer affairs. I would recall to the house that the establishment of a department of consumer affairs has been demanded for years. It was first of all demanded by the Canadian Association of Consumers, now known as the Consumers Association of Canada. In the last three sessions this demand has been put forward in the house, first by the hon. member for Danforth (Mr. Scott), then by the hon. member for Burnaby-Richmond (Mr. Prittie), and last session by myself.

It was not until food prices had risen to twice the level of other items in the cost of living index that anything was done by this government to deal with food prices. In the comfortable insulation of this chamber we find it very difficult to realize just how these boycotters and protesters felt as week after week and day after day they watched the price of food creep upwards in our supermarkets, with the knowledge that the portion of their income which was left after food bills had been paid was shrinking in proportion to the increase in food prices. It was not until the boycotters and protesters from coast to coast rose up and took action that this government referred the matter of the cost of living to the committee on consumer credit.

I now want to recount briefly a few of the things that have happened since then. Let me say very bluntly that the major recommendation made by the committee was for the creation of a department of consumer affairs with a full time minister in charge. The government has given notice in the speech from the throne that it is going to thumb its nose at our major recommendation, that it is going to thumb its nose at the committee. Because instead of saying that the government is going to put forward legislation to establish a department of consumer affairs, the speech reveals that the government is going to establish a department of corporate and consumer affairs.

In the committee we made it perfectly clear, in the first instance in our recommendation last Christmas and in our later report, that what is needed in Canada is a department the sole purpose of which is to protect consumers. We recommend that we should gather together the bits and pieces of consumer protection which are scattered throughout various government departments and bring them together into a single department, the sole purpose of which would be to protect the consumer.

This point was made by every organization which spoke on the subject as we travelled across Canada. Not one single organization asked for a department of corporate and consumer affairs. Neither was there a single organization which asked to have consumer affairs dumped with any other affairs into one government department. This was to be something new. At long last we had risen to the point where we hoped this government would be ready to establish a department to look

after consumer affairs, not to look after sectional interests in the community. We have the agriculture department, the fisheries department, the labour department, the industry department, and so on, and we hoped that the government would now be ready to set up a department which was consumer-oriented, the sole purpose of which would be to protect the consumers of this country and recognize them as such.

Mrs. Plumptre, the long-time president, recently retired, of the Consumers Association of Canada, made it crystal clear in her evidence that what we needed was a department in charge of consumer-oriented people who would study the needs of the consumer and the effect of various conditions upon him and her.

But, Mr. Speaker, what action do we find the government taking? We find this government sneaking a sectional interest in by the back door, presumably because it is handy for them to do so. I want to say with all the strength at my command that in my view this will nullify any effect that this department would otherwise have had. The people of this country ought to be told that the major recommendation of our committee is being summarily thrust aside, even before we have had a chance to discuss it in this parliament.

A tremendously important step is being taken here. We find that what is being set up is a department where the loyalties of the minister will be divided. We are told that a man cannot serve two masters. Yet this government deliberately sets up a department the minister of which will be asked to serve, on the one hand, the consumers, and on the other hand a particular section of the community—the investors.

I realize that there is reference made to "small" investors in one part of the speech. That is a modern version of the widows and orphans who from time immemorial have been trotted out as a screen behind which the big corporate interests and other great concerns were looked after and protected. This practice is wrong. This corporate and consumers affairs department which the government proposes to set up will be the hole in the dike through which a whole flood of special interests will be allowed to rush in, completely destroying the dike which should protect the consumers of this country. This I say as clearly and loudly as I can, because I think the consumers ought to know what the government is proposing to do.

[Mrs. MacInnis (Vancouver-Kingsway).]

In the committee we proposed that the consumer be given protection. Protection from what, Mr. Speaker? Here I think the committee was of one mind up to a certain point, and I want to make perfectly clear where the majority opinion lay, and where the minority opinion departed from it. I want no misunderstanding about this.

All of us believed that a department of consumer affairs ought to protect the consumer from abuses in the marketplace; from unjust practices, I will put it that way. We wanted to protect the consumer from unjust practices. Our report put forward a great many excellent recommendations for doing this. We made recommendations for consumer standards having to do with labelling, packaging, weights and measures and other matters. In the second place, we made recommendations for protecting the consumer from deceptive practices of various kinds. In the third place, we made recommendations for protecting the consumer from her own lack of knowledge and her own misplaced trust in others than herself.

One recommendation, about which we were all very enthusiastic, was that it should not be left entirely to the consumer to make herself into a good, all-round shopper, though the consumers association does hope to do this. However, she does need help and information. We all felt that a department of consumer affairs should have as one of its objectives the handing out of information and the establishment of good, regular consumer information programs; not dead, dull, factual things but good, lively television shows which could hold their own with programs like "Yogi Bear", or advertisements for "whiter than white", or "the hands you love to touch", or similar advertisements which hold many people spellbound—at least according to the advertisers.

• (8:20 p.m.)

This is what we want done; this is what the whole committee agreed to do. Every one of us believes that the consumer should be protected from unjust practices in the market place. There was a minority on the committee—I wish to make it perfectly clear that it was not a large minority—which thought that more was necessary. We believe that not only should the consumer be protected against unjust practices but that he should be protected against unjustified prices—note, I said "unjustified", not "unjustifiable". This is why we feel that as part of this new department a prices and practices review board

should be established for the purpose of protecting the consumer from unjustified prices as well as from unjust practices. We believe that manufacturers and processors should be brought before this board to justify price increases which are deleterious to the consumer. This view has not yet been accepted by the committee as a whole. In my opinion this issue is part of the unfinished business before the committee, and I hope that in future sittings the majority may be persuaded to accept such a course as I have suggested.

Should anyone think this is nonsense, let me draw to the attention of the house the fact that it was unjustified prices rather than unjust practices which gave rise to the pressure of public opinion which resulted in the reference of this whole subject to the committee. Consumers will not be well served nor will they be content until machinery for dealing with unjustified prices as well as unjust practices has been established. I will have more to say on this when the legislation is introduced.

I wish to comment now on the generality of the report. We pointed out that a survey made in 27 countries showed that Canada is not faring badly by comparison with other countries with regard to the trend of consumer prices from 1958 to late 1966. Indeed, Canada showed the second lowest rise in consumer prices during that period. Other countries were suffering more. We made no reference to a statement which I believe to be most apt in this context. When the head of the Swedish economic council appeared before us he pointed out that in Scandinavia the effect of high prices was cushioned by government pensions and allowances set in accord with the cost of living and the level of productivity in order to protect lower income groups.

However, we did say this in our report. I think it is important, and I wish to quote it:

> Any general and persistent increase in the price level has a profound effect on both the economic and social fabric of a country. When the rate of increase exceeds some critical level it produces unrest and inequities and may create economic problems which have a high social cost. Parts of the population may be able to adapt to rising prices but in general these will be those who have economic or market power and whose earnings increase sufficiently fast to maintain their real income. That part of the population which is disadvantaged and economically weak will usually suffer. The handicapped, the aged, the pensioners, the underemployed and the unskilled workers bear an undue share of the burden of rising prices. One major contribution which could be undertaken by the federal government would be to carry out surveys of family expenditure patterns at frequent intervals to provide some objective assessment of the impact of rising prices on the disadvantaged. While it was not your committee's duty to inquire in detail into incomes policy, your committee feels that one aim of such studies would be to facilitate studies of the feasibility of establishing guaranteed minimum incomes for all citizens.

I am sorry the Minister of National Health and Welfare (Mr. MacEachen) is not in his place; he likes to "rib" me about my views on a guaranteed annual income. I am in favour of it today, I was last June, and I was last December. But I was not in favour of what the minister put forward last fall under the guise of a guaranteed annual income, when he brought down the supplement to the old age security pension. That was as bad a case of the prostitution of the English language as I have seen for a long time.

Even members of the government are beginning to realize it will be necessary to establish a guaranteed annual income in this country. But they will have to produce a much better specimen than was produced last December in connection with this income supplement for old age security pensioners, which no more resembles a guaranteed income than a piece of jagged glass resembles a diamond. A guaranteed annual income must be based on what it costs to sustain a modern standard of living—modest, if you like, but modern—and it should rise both with the cost of living and the productivity of the country.

Let the government provide a guaranteed income of this sort and they will find that we in this group will be the first to support it wholeheartedly.

I feel that our committee has produced an excellent report as far as it goes. As I say, there is some unfinished business to be dealt with. I have mentioned the establishment of a practices and prices review board. Included among this unfinished business is consideration of the whole sector of selling costs—the business of promotion and advertising generally. We made no recommendations in this important sector, which in my view is responsible for a great deal of the rise in the cost of living which has occurred. Nor did we deal with another great sector, the monopolistic character of industry today. We were appalled, like everyone else, at the revelation as to the extent of the Weston empire. We felt something definite would have to be done about it, but we were not prepared to make a recommendation with regard to monopolistic control of industry. We did say this, though:

> Your committee noted that the director of investigation and research under the Combines Investigation Act reported the discontinuance of a study of concentration in the food retailing industry

in Canada on March 15, 1963 (Report of the Director of Investigation and Research, Combines Investigation Act for the year ended March 31, 1963). Your committee recommends that this study be resumed on a continuous basis and broadened to cover both food retailing and manufacturing in Canada with a particular view to examining concentration, market power and trade practices in the relations between retailers and suppliers.

● (8:30 p.m.)

There is another subject I wish to mention. The committee took no stand one way or the other on the value, either actual or potential, of the consumer co-operative movement.

Some of us are very strong in our view that the consumer co-operative movement is one of the best agencies for standing up to private monopoly control in this country. We know its effect is potential rather than actual, but our committee did make a recommendation. We said that quite regardless of the value of the co-operative movement, actual or potential, we felt that "legislation governing the incorporation of co-operatives is long overdue."

I think I have just about taken up my time and covered my points, and am about to bring my remarks to a close. I believe the members of the committee were hard working and co-operative. They were a fine group of people to work with, and I felt we advanced well, working together and sharing each other's points of view. We were clear and open about our differences but we found that the edges of our agreement were quite numerous.

In closing I would emphasize that the longest journey begins with a single step. In my view the first steps to the promised land are legislative measures designed to meet the bread and butter needs of the people. I do not think there is any use talking to a man about a glorious sunset when his stomach is empty. There is no use talking about the glorious things that can be introduced by way of legislation in years ahead if we are not going to deal with the bread and butter needs of the people today. I hope the government will concentrate on the first steps which are necessary to achieve this better living about which it is so eloquent in the speech from the throne. If it does so, it will have the co-operation of all of us, all the way.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I join with others who have extended their congratulations to the mover and the seconder of the address in reply, the hon. member for Burin-Burgeo (Mr. Jamieson) and the hon. member for Nicolet-Yamaska (Mr. Côté), who have done as best they could with a document which can only be described as a political catch-all in an effort to cover up and to fill in the terrible gaps and the deficiencies of the government in this centennial year.

We in the Yukon, sir, are very cognizant of the issue that has been raised by the amendment put forward by the official opposition. We have been pressing the Minister of Indian Affairs and Northern Development (Mr. Laing), who I am happy to see in his seat this evening, for a greater measure of self-control, but we have had nothing from him, from his officials and from the government but lip service, empty promises, meaningless phrases and downright, fraudulent answers to our legitimate demands. The minister has said that we are moving toward a greater control of our own affairs in the Yukon. Nothing could be further from the the truth: Indeed we are moving in the opposite direction. But there will be other occasions upon which I can deal specifically with the Yukon.

Today we are dealing with a matter of transcendant importance to all Canadians, a description by which Yukoners are very proud to call themselves, in this day of division and this day of confusion, confusion which has been aided and abetted by the N.D.P. with their subamendment, which we find completely unsatisfactory. The only result that can be expected from the N.D.P. subamendment is further delay and further division. If accepted it would delay any hope of a constitutional conference this year. It would divide those already estranged by the failure of the government to act in the critical area of national unity.

The subamendment is typical of the party that produced it: long on theory and surface gloss and completely lacking in practicality. The N.D.P. subamendment is simply a smokescreen. It is, sir, a watered down version of Liberalism and an escape hatch for the Prime Minister (Mr. Pearson) and the government. I am sure those on my left know that the Prime Minister desperately wants to avoid a constitutional conference because the inevitable result of such a conference will be to expose the folly of Liberal policies of opting out, the two nations theory, the two pension plans, from which the Prime Minister is desperately trying to disengage himself.

The subamendment that the N.D.P. proposes gives the Prime Minister a way out, and this in itself is regrettable because if such a conference is to be at all effective, the maximum effect can be attained in this year above all other times. There is great danger

in waiting; but that is what the N.D.P. would have us do, by their subamendment.

The basis of the deterioration in the relationship between Quebec and Ottawa was laid by the policies of opting out, of two nations, of treaty making powers for the province of Quebec. There is only one author and originator of these policies, and he is the Prime Minister.

The subamendment suffers from further defects. It suffers from a basic disability to understand or appreciate the constitutional issue, or even the nature of the constitution itself. It sets out "proposals for amendment to the Constitution of Canada as a necessary preliminary for a national constitutional conference." This shows the shattering inability of the N.D.P. to seize the nature of the issue. The whole purpose of the conference which has been proposed by the right hon. Leader of the Opposition (Mr. Diefenbaker), first in the last days of the session of 1963, is to work out an agreement whereby specific amendments would be arrived at which would provide the basis of a new unity in the country.

This was the same folly and the same danger as was inherent in the Fulton-Favreau formula adopted by the government so short a time ago. It was a pig in a poke. We were opening the door into a constitution with no indication of where we were going after the door was opened, and the N.D.P. want us to repeat that error.

A confederation conference, as we understand it, would set out in specific terms those matters upon which agreement could be obtained, as being necessary to Canadian unity in the future. No such conference can be in the position where the government or the parliament dictates ahead of time what that course will be, and yet that is precisely what the N.D.P. subamendment would have us do.

Those who vote for the N.D.P. subamendment are voting to bind the conference in advance, and are voting to place Quebec and French speaking Canada in a position of increasing isolation. That way lies, not survival, but a continuation of the erosion begun four years ago.

• (8:40 p.m.)

Subparagraph 3 of the subamendment refers to "a constitutional bill of rights." What is a constitutional bill of rights? A Bill of Rights has been passed by parliament. How many do they want? Section 4 of the subamendment speaks of repatriation of the constitution. That will come following the agreement on amendments arrived at at a constitutional conference and following the adoption of those recommendations by parliament. The recommendations of that conference would be brought before the house, and parliament would enact a new act having as its base the B.N.A. Act with amendments as proposed by such a conference. I believe that across this country there is a demand for the resolution of this question of unity. Since this government assumed office we have had a continuing and worsening constitutional crisis. This was aggravated by the unskilled attempts of the government to produce one of those quick and easy solutions for which the Prime Minister now is becoming notorious.

There has been only one constructive proposal—and one only—for the resolution of the constitutional problem, and that is embodied in the amendment of the opposition. It is the proposal put forward by the then prime minister of Canada in 1963, in the dying days of the session, for a national constitutional conference. That proposal since has been embraced by the premiers of Ontario and Quebec and has been given the tacit approval of the premiers of Manitoba and Nova Scotia. It is a concrete and positive proposal for bringing together those elements in the Canadian political structure whose views must be recorded and whose consent must be obtained in order to resolve the question of unity.

The Prime Minister has a different view. He wants to be the sole architect of the constitution, just as he was the sole architect of unification, and just as he was the sole architect of the new flag. He wants a constitution disinterred from the subterranean recesses or the back room of the Liberal party, a constitution presented as a *fait accompli*, a constitution under the new rules designed and brought about in this house, which will be shoved down the throats of Canadians. Nothing could be more damaging to the unity of this country. The Prime Minister and the government have dealt destructive blows to national unity. Who else is the architect of the two nations theory? The Prime Minister. Who else is the inventor of opting out? No one else but the Prime Minister. No one else is the designer of one pension plan for Canada and another pension plan for Quebec. No one else is the designer of a student loans plan for Canada and another one for Quebec.

The Pearson government has followed the course of separating Quebec from the rest of Canada through the opting out formula, and

all the other divisive policies. Time and time again the right hon. Leader of the Opposition (Mr. Diefenbaker) has spoken about one Canada. What are we getting? We are getting divisive and destructive policies. Above all, in this year of the centenary of our confederation, as I have said before, instead of opting out we require opting in, recognition of the existence of two cultural groups, the founders of the original confederation. We require for all French speaking Canada, not just Quebec, an emphasis on the recognition of the cultural identity and cultural integrity upon which our country must be built to survive.

The Prime Minister is the originator of the two nations theory. Here is what he said at La Malbaie, Quebec, on August 17, 1963:

> At this time when we are preparing to celebrate our centennial, it is advisable that confederation should be reshaped to meet the requirements of the present hour. We want a nineteen sixty-three model.

In his speech yesterday he threw this completely overboard. The answer is that under the leadership of the Prime Minister the Liberal government consistently has pursued a wrong and dangerous course on the question of national unity, since assuming office. They have opted out; they have created two nations; they have set Quebec apart, and they have provided the machinery whereby Mr. Lesage has signed international treaties. Now they see the end of the road. At the end of the road is dissolution. They draw back in fear, like the Hindu snake charmer who has lost his flute. They have no alternative to offer. This government, following the Prime Minister's leadership, has created a Frankenstein monster of division and discord.

Some hon. Members: Oh, oh.

Mr. Nielsen: I hear jeers. Let those who jeer listen to another statement of the Prime Minister made at La Malbaie in 1963 when he enunciated the motherland theory. He said this:

> I know, as well as you do, that the province of Quebec is different from others, because, while being a province of Canada, it is the motherland of people living in other provinces.

Constitutionally it is the federal government, not any one of the provinces, which is the defender of minorities. If we are to adopt the principle espoused by the Prime Minister on that occasion, then we must say that it is logical that the government of Manitoba should concern itself about Ukrainians in Montreal, that the government of Ontario must take an interest in English speaking citizens in Saskatoon. What a crazy quilt of national chaos this conjures up. This is the motherland theory unveiled by the Prime Minister in 1963.

In the same speech the Prime Minister said that he would work to establish a status of equality between the two partners—Quebec and Ottawa. What that status of equality was, never has been explained. According to Premier Johnson it never existed. All along, the Prime Minister and his government have committed the blundering error of failing to distinguish between Quebec, a province, and French speaking Canada, a cultural entity recognized in the constitution of 1867 but not necessarily identified with Quebec, any more than English Canada can be identified with Ontario. Is any English speaking person living in Montreal—I ask this question of the hon. member for Verdun (Mr. Mackasey)—any less English speaking because he lives in Montreal?

This kind of Balkanization of which we have been warned by the Leader of the Opposition, has been deliberately fostered by the dangerous, destructive and divisive policies of the Prime Minister and this government. The Prime Minister bumbled into an impossible position and now is trying, with the rather desperate assistance of the Minister of Finance (Mr. Sharp) to extricate himself. Meanwhile Canada's unity has suffered and is suffering irreparable damage. That speech at Murray Bay was the classic unfolding of the co-operative federalism doctrine, embodying the theory of two nations, a blueprint for disaster. The Prime Minister took the attitude that Quebec in fact is a separate and distinct political entity, like Switzerland or Ghana, and dealt with it at arm's length from then on, as though dealing with the ambassadors of a foreign state. He forgot that Quebec is part of Canada. It is time he took off the rose coloured glasses.

• (8:50 p.m.)

For three years there has been a concerted attempt in the Liberal press to make black look like white and to cover up the dangerous and damaging errors of this government. The fact is that when this government gave to Mr. Lesage the right to deal with foreign states it dealt national unity a blow from which it has not recovered. The right it created for Mr. Lesage it now withholds from Premier Johnson, and unity deteriorates. This government grovelled before Mr. Lesage and gave him everything he wanted—everything for

victory. No price was too high, including the wooing of the Creditistes and the aid of Mr. Doyle, who at the time was being pursued by the former government for $3 million in income taxes; and he still seems to be the recipient of preferential treatment.

There is one statement in the Murray Bay speech to which no one can take exception, and it is this:

> I believe that there can be a Canadian nation within which the two basic cultures can develop in full and equal partnership.

No one has ever disagreed with that. It is exactly what the Leader of the Opposition said earlier and better in February of 1963. The quarrel lies in the means of carrying this principle into effect.

The other day the Prime Minister produced the incredible argument that we must not have a confederation conference because some provinces might demand the right to deal with foreign states. What does he take parliament for, a kindergarten class? Judging by some of the jeers which I have heard from those opposite, he may have a point. It was he and his government who created the treaty signing rights enjoyed by Mr. Lesage. Now the Prime Minister employs it as a cheap threat to discourage a confederation conference.

A confederation conference could agree on amendments to be made, and the constitution would then become a Canadian document. We would then have laid the foundation for a second 100 years of unity. There is no other way in which this can be accomplished. Premier Robarts knows this; Premier Johnson and others know it, and the Prime Minister also knows it. But to adopt it would be an admission that for four years his policies have been divisive and abortive. This government has placed the prestige of the government above that of Canada—and not for the first time.

This government has not only embraced but has propounded the theory that federal legislation would commence its application in the west, proceed to Ottawa, stop at the Ottawa River and resume in the Maritimes —having leap-frogged over the province of Quebec. This is a philosophy that is destructive of our national integrity, ruinous to our sovereignty, and that isolates the province of Quebec from the rest of Canada. It was cooked up between Liberals in Ottawa and Liberals at Quebec for the sole purpose of producing seats. It did that, sir, but in the process it did that at the expense of Canada.

We now have heard the Minister of Finance (Mr. Sharp) in his speech to the Reform Club denounce those very terms which formed the basis of the Prime Minister's co-operative federalism. In so doing he showed a concept of Canada and a personal integrity that might stand as an example to a government not conspicuous for any determination but partisan determination in the past three years.

One cannot but wonder at the latest stand by the Prime Minister. It seems to be a product of the Minister of Manpower and Immigration (Mr. Marchand) and the Minister of Justice (Mr. Trudeau) just as his earlier stand was a product of Mr. Lamontagne and Mr. Favreau. His attitude now is: The constitution, right or wrong. He seems to be saying: It has served us for 100 years, why change it? A few years ago the Prime Minister said in one of his celebrated sweeping-away efforts: We need a constitution for 1963. Do we not need a constitution for 1967? Perhaps 1963 was a vintage year for constitutions.

Let me quote now from an article which appeared in the Montreal *Star* in July of 1962 of a report of a speech made at Brockville by the Prime Minister. He is reported to have said:

> Re-examination of the whole basis of confederation will be one of the first tasks of a new Liberal government.
>
> Liberal leader Pearson told a rally here Saturday night that the confederation worked out in 1867 was no longer satisfactory for 1962.
>
> 'As Prime Minister, that's one of the things I'd like to deal with,' he said.

What a metamorphosis in the Prime Minister. As I have said on past occasions, he is one with an elastic mind, and this is but another example of that. What a change from the Prime Minister of the Charlottetown conference in 1963, when Mr. Lesage said "I don't like it—" and went on to deal with section 91 (1) of the B.N.A. Act. There were no scruples then, and no qualms.

Can this be the same Prime Minister who in 1962, 1963, 1964, 1965 and 1966, was ready to drive a truck through the constitution with the Fulton-Favreau formula—who said over and over that the constitution had to be brought up to date? It must be brought up to date, but not by a hand picked task force with no responsibility to the people. What hypocrisy this is.

The Prime Minister's speech yesterday was most revealing of these facets of his character; his readiness to throw overboard previously held convictions when he thinks the

wind has changed, as it has in Quebec; his determination to deal with problems in the back room, the responsibility relegated to experts, rather than face the light of day and reasoned discussion, and his penchant and the penchant of his government for producing a *fait accompli* such as the flag and unification bills, assuming a take it or leave it attitude. They adopt the position that they are infallible because they are Liberals.

Some hon. Members: Hear, hear.

Mr. Nielsen: That applause is another example of the myopic view those on the other side take. These are the same people who were here in 1956. The Prime Minister is now at the height of his power, basking in the sunlight of approbation, riding along on the publicity of a centennial for which the groundwork was laid before he came to office. But, his method of procedure, the reluctance to stick to his convictions and to take the people into his confidence, and his refusal to take the clear and direct course, have led increasingly to an accumulation of vexations for Canada. These are matters that are increasingly under question.

• (9:00 p.m.)

The Prime Minister has been able to overcome his difficulties. He has been able to turn political gerrymandering into an appearance of statesmanship, something to which his backbenchers would dearly love to aspire, especially those who do not have the courage to say on their feet what they say from their seats. The Prime Minister has been able to survive the debacles which should have destroyed his government, one reason being the unfailing and unswerving support of his allies in the press. Every word, every gesture—

Some hon. Members: Oh, oh.

Mr. Nielsen: Hon. members opposite laugh, Mr. Speaker, but their leader himself makes the same criticism. As I was saying, every word, every gesture of the Prime Minister is magnified out of all proportion by those journals committed to his cause. They have forgiven his gaffes—and they have been many, God knows—placed his career above Canada's needs, and stuck to him through thick and thin. Even a milk and water production like the so-called throne speech, which gave no indication of any plan or program and was simply a turgid collection of gleanings on the style of Whitaker's Almanack, was hailed by one paper as the second Sermon on the Mount. As soon as that publication printed those words they retracted them in this morning's issue. This government has come to represent mediocrity enthroned. It represents willingness to sacrifice at every turn the very basis of our democracy in order to secure seats. That cannot go on indefinitely. Already the wheel is beginning to turn and Canadians want and expect something more.

All the distinguished state visitors, all the Expo puffs, all the banquets, dinners and speeches cannot conceal the fact that national unity is in trouble and that this government is doing absolutely nothing about it. This was the enunciation of the two nations theory. It was the genesis of opting out, the two pension plans, the two flags and all the other divisive theories moving Quebec away from Canada, including the signing of treaties with foreign states. This was dangerous and divisive, not only because it was destructive of Canada but because it was untrue.

Quebec is not more than a province, any more than Ontario is more than a province. To erect one province above the other provinces is not only to destroy that province through isolation but it is to destroy confederation. What this government should have said was that each and every province is equal and will get equal treatment under the constitution, rather than treatment proper to a foreign state. This is what the Leader of the Opposition has been saying for so many years when pleading for one Canada.

The Acting Speaker (Mr. Richard): Order. I regret to advise the hon. member that his time has expired.

Some hon. Members: Carry on.

Some hon. Members: No.

The Acting Speaker (Mr. Richard): The hon. member for Laval (Mr. Rochon).

[*Translation*]

Mr. Jean-L. Rochon (Laval): Mr. Speaker, we have just concluded the longest session in the history of our country.

The Liberal government, re-elected in 1965, in an endeavour to prove itself worthy of the trust of the Canadian people, has introduced and asked parliament to pass, despite what the previous speaker may think about it, a whole series of measures the benefits of which will be felt in every sector of our national activity and economy, from which every class of our society will benefit, rich and poor, powerful and humble alike. Those legislative measures will prove that on this

North American continent, there lives a noble people, who take pride in their past, who look with confidence upon the dawn of a new century, a people who live in a country with boundless horizons, and whose aspirations are worldwide in magnitude.

The violent discussions of the last session, the bitter wrangling which took place are now things of the past. The bitter blows that were dealt and sometimes hurt, are forgotten. The Centennial session started a few days ago. The first anniversary of confederation, which has perhaps not always been consistent with the aspirations of every ethnic group in our country, has nevertheless made of our country one of the greatest nations of the world, respected and heeded. On April 27 last, Montreal, its metropolis, welcomed the whole world and laid before it the exhibition "Man and his World" which will be, as reported in the world press, the event of the century.

Mr. Speaker, instead of going into an analysis of the major legislation announced in the Speech from the Throne, others have done it and more will do so; instead of taking you into the verdant areas of my great constituency of Laval and have you admire the sites; instead of speaking of this second largest city of Quebec, the city of Laval—I will have the opportunity during the budget debate to tell you of its needs—in short, instead of following the established custom I felt—after living through the historic moments of the official opening of the world's fair, as most of my colleagues—that I could take a few minutes to give you, in the name of my electors and in my own name, their impressions and mine of the century which is ending and of the next one opening before us into such a promising future filled with hope and days of glory.

If, Mr. Speaker, you will read the history of nations, if you will skim through each of the eras, you will realize that, in ancient times as well as in the Middle Ages, in the earliest times as well as in our modern days, when a state sought to increase its strength or enlarge its territory, it joined with its neighbours, and when a nation sought to acquire interior strength and foreign respect, it entered into alliances with its friends; the same was true when countering the aims of one or more overly ambitious neighbours was involved. History supplies the names of several well knows alliances entered into for common defence.

That is about what happened in Canada in 1867, when Upper and Lower Canada united with the maritime provinces to protect themselves should the Americans have too great designs for our land, or should their influence be felt too strongly as compared to the extraordinary advantages arising out of the opening of the way to the Atlantic and the St. Lawrence, which provided the Maritime provinces with an invaluable passage to the sea.

• (9:10 p.m.)

Faced with this eventuality, and for other reasons also, the English Canadians of Upper Canada, who believed that if ever the country became American they would lose their own identity, and the French Canadians, who feared for their language and their religion, accepted without taking too much exception, what was a marriage of reason in which both groups saw one of the best ways to protect themselves and to remain themselves. Thus, in 1864, the Commons of Canada addressed to the government of Her Majesty Queen Victoria a request to have a measure passed. I quote:

> A measure to unite the colonies of Upper and Lower Canada, Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island under a single government.

The said measure was to be based on the resolutions passed at the conference held in Quebec city on October 10, 1864. The project was accepted and 1867 saw the beginning of that confederation whose centennial we are celebrating this year.

I was saying a moment ago, Mr. Speaker, that one of the reasons for confederation was to protect the identity of English Canadians of Upper Canada and the language and faith of French Canadians of Lower Canada. But the main reason was the magnificent dream of the fathers of confederation. At this stage, Mr. Speaker, I will undoubtedly be allowed to recall these words by Mr. Robert Choquette, former associate commissioner of the centennial commission. I quote:

> For many, in 1864, whoever talked about a union between the Maritime colonies and Canada was slightly touched; those who were bold enough to imagine a Dominion from one ocean to the other were ready for confinement. However, a handful of men with vision materialized that thought. It was not easy. They had to struggle against ignorance here and chauvinism there, the distrust of some, the intolerance of others. They had to fight against all those who refused to look ahead for great things. To the defeatists, to the cynics, those dreamers replied with virile optimism. They did not delude themselves. They knew full well that nothing can be built without effort, that the only construction easily built is the sand castle due to vanish with the first wave. They did not

delude themselves, but they had confidence in themselves. That dream of a united Canada they believed with all their spirit and all their heart. They set to work and shaped a great country out of the future.

As remarkably conceived by the fathers of confederation, that union of the maritime provinces, of Upper and Lower Canada, that confederation system proved to be the most efficient means to make us grow up and to assert ourselves as a nation. I shall not go as far as to say, Mr. Speaker, that everything was perfect, that we in Quebec in particular, did not have any cause for complaint; I shall return to that in a moment, but the fact remains that this century, these hundred years from 1867 to 1967 enabled us, as the Prime Minister (Mr. Pearson) said in Quebec city on April 24 last during the national conference on centennial, and I quote:

During our first century of Canadianism, we have built up a powerful and prosperous national economy.

A powerful and prosperous economy, Mr. Speaker, so that this dream of the fathers of confederation is no longer a dream but a wonderful reality extending from the Atlantic to the Pacific, making of Canada today one of the pillars of civilization and, for the people of Asia and the Far East, a centre of scientific, moral and material riches which enabled them to survive and often prevented them from dying.

Mr. Chairman, what is one hundred years in the life of civilizations that are thousands of years old? Nothing, or almost nothing. In the life of a young country, like ours, it is a great deal; it is even a whole era, and what did it mean to us? During that period the colonial status which was our lot disappeared; we grew in stature and asserted ourselves among the Commonwealth of British nations; trading posts disappeared to be replaced by the trading system which prevailed between great powers; Canada came to be represented abroad in all the capitals of the world; a mature Canada signed its own treaties, without having to call upon another country to set its seal upon them; Canada became the world granary, so to speak; on Vimy ridge in 1917, Canada suffered and shed its blood for the sacred cause of freedom; Canada was able to respond generously to the plea of one of the greatest men of this century, Sir Winston Churchill, who uttered within these very walls, when freedom was being crushed under Nazi heels, these memorable words: "Give us the tools and we will do the job!"

During that period also Canada became the sponsor of the North Atlantic Treaty Organization to put a stop to aggression by the U.S.S.R.; Canada, through its various secretaries of state for external affairs, advocated steps accepted by the United Nations; Canada became a partner of its giant neighbour beyond the 45th parallel, in a position to act as a buffer between the two greatest world powers, Russia to the north and the United States of America to the south.

In certain quarters, Mr. Chairman, English-speaking as well as French-speaking confederation seems to be entirely wrong; one side feels it is the victim of an arrogant majority and the other blames the authorities for being too lenient towards a minority.

That we in Quebec have not always had our proper share, that the constitutional agreement of the British North America Act might not have been respected to the letter, I will not pretend that it is completely without foundation. Some of it even a lot of it is true; but if you stop and think, might it not be that we have been ill-served by our own individualism? Might we not have asked, at a conference table, a better observance of the agreements? Instead of crying "The damn English", instead of driving them to exasperation and insulting them, might we not have been more practical?

The unfortunate part of it might also have been our failure to reach an earlier awareness of our own worth, a worth which, today, brings home to all provinces of Canada the fact that the country needs Quebec, our thinkers, our scientists, our engineers and our technicians.

The unfortunate part of it also might be that we lock ourselves in our ivory tower and believe, as some of our compatriots, that we can live without Canada, not realizing that separatism would lead us to a very sad end. Fortunately, a very small part of the population thinks this way.

On the other hand Mr. Chairman, there are some who feel the authorities are too lenient towards the vocal minority of Quebec. I blame those of my Anglo-Canadian compatriots who look with a jaundiced eye upon our efforts to assert ourselves and who feel that we should be playing second fiddle. They do as much harm to the Canadian nation as those Quebeckers who favour a separate nation. Fortunately, there is only a handful of them, in a century that is above their comprehension, and they are condemned by those they would fawn upon. One thing they forget

which they should always bear in mind, when they think of the secondary role we should hold, and that is the past, the proud reply of those who, in 1815, answered General Washington who had sent commanding officer Arnold to take over our country. That answer gave history the glorious page of Châteauguay where de Salaberry and his light infantrymen put an end to the ambitious dream the United States had of making of Canada a new American state.

Some hon. Members: Hear, hear.

Mr. Rochon: In this, our centennial year, Mr. Speaker, we must forget all those vicissitudes. We must look to the past so as to better prepare the future, look to the past without bitterness so as to correct, if possible, what faults there may be. For, lest it be forgotten, while we celebrate the first century of confederation, we also celebrate the dawn of another.

• (9:20 p.m.)

Some would like that an interprovincial conference be convened immediately to study the possibilities of amending or redrafting the constitution. We must be very careful and proceed methodically, and I think the government and the authorities concerned are right when they say, in the speech from the throne:

> During the past one hundred years the world has changed beyond the recognition of anything within the experience of those who laid the foundations of confederation. That our constitutional structure has endured and served so well the progress of our country is a measure of the basic soundness of its principles as well as the willingness of those concerned to adapt their application to changing needs and changing conditions.
>
> It is in this spirit that the government has in recent years actively promoted the reform of detailed federal-provincial arrangements which, with the fundamental law, compose the constitutional structure of our country. While orderly reform may well be the best way of preserving and strengthening our heritage, the most careful consideration must be given to what we do. Studies to obtain the best advice on this important matter are now underway with a view to subsequent consideration of the whole problem by parliament.

As you can see, Mr. Speaker, the Liberal government re-elected in 1965 understands the situation thoroughly and, in the conditions prevailing in Canada today, it is behaving as the Fathers of Confederation themselves would have. The government wants to adapt itself to the present necessities; they want to show themselves worthy of the past in order to prepare for the future; in short, and I quote another paragraph from the speech from the throne, this is what they want to do:

> With our forefathers, the fight was against the immense odds of nature on our half of this continent. Today the main struggle is against social injustice, against cultural mediocrity, against spiritual stagnation and against all forms of intolerance.

At the beginning of my remarks, Mr. Speaker, I said that instead of trying to analyse the great legislative program announced in the speech from the throne, I would say a few words about the centennial of confederation. However, there are two points which I should like to refer to, because they are of very particular interest to my constitutency. The first is the proposed legislation concerning a better control of broadcasting and the establishment of broadcasting facilities for educational purposes, and the second is a special study on urban development made in close consultation with the appropriate authorities.

Considering that at the last election, I had more than 125,000 electors, representing a total population of nearly 400,000 or almost half a million; considering that that number, includes almost 125,000 school-age children; considering that nearly two-fifths of educational institutions at the primary, secondary and scientific levels are located in my constituency; considering that the second biggest city in Quebec, the city of Laval, has a population greater than that of Quebec city, Trois-Rivières and other cities in my province and that it makes up half of my riding, one will understand why my electors and myself strongly support a plan to organize educational television in a way that would increase scientific progress.

We are convinced that such a step must be taken. We believe that it is one of the best ways to put a stop to those indecent or too daring programs which unfortunately corrupt our children when they do not deprave them.

Besides, as far as television is concerned, the speech from the throne provides for the granting of wider powers to the Board of Broadcast Governors which will be better able to see to it that the rules are obeyed.

I do not have to emphasize the special study on urban development; a city like the city of Laval which as I said, is the second in importance in Quebec, was created three years ago by amalgamating the 14 municipalities on Ile Jésus. It is a wonderful site. The island is surrounded by two rivers: the Prairies and the Mille Iles rivers. Secondary

industry is attracted and economic possibilities are tremendous. So many people are leaving the centre of Montreal to settle in Ville Laval, that local authorities need the assistance of the senior governments to settle their problems. The Quebec government, both the one in power before June 1966 and the present administration, have done their share. The central government has helped within the limits of its jurisdiction. It is therefore with enthusiasm that local authorities have learned about this important piece of legislation of which they expect so much.

Mr. Speaker, before concluding my remarks I would be remiss if I failed to say a few words about the mover and the seconder of the address in reply to the speech from the throne, like the previous speakers.

They lived up to their electors' trust. We are proud of those Canadians. I would also like to congratulate most respectfully the new representative of the Queen of Canada, His Excellency Roland Michener. May his reign be long and fruitful in the best interests of our country, our dear and great Canada.

[*English*]

Hon. Gordon Churchill (Winnipeg South Centre): I commence my remarks, Mr. Speaker, with my congratulations to the mover (Mr. Jamieson) and seconder Mr. Côté (Nicolet-Yamaska) of the address in reply to the speech from the throne. I thought they performed their tasks very well indeed. I was most interested in hearing from the mover of the motion, who eloquently and ably presented his opinions to the House of Commons. I was particularly taken with the common sense he showed when he told us he waited for a great many months before expressing his opinions in the House of Commons. This very sound advice has been given over the years to new members, not to plunge in too rapidly but to find out first how this place operates. The hon. member for Burin-Burgeo apparently did just that. He waited, watched and listened and then finally made his contribution.

He touched upon a number of subjects which are of great interest. One of the points he made which attracted my attention was his acknowledgement that he had changed his opinion of this institution after arriving here as a member, from the opinion that he held before he entered parliament. Like a good many people across Canada, he thought that this institution was somewhat ineffective and outdated. However, having been here as a member and having become acquainted with the nature of the institution, he has changed his mind.

I think that would happen and has happened to most people who enter this chamber. A great many have a wrong idea of parliament, and when they come here as new members, if they are patient and willing to learn they soon discover that, despite its weaknesses, which everybody acknowledges, this is still the best system that has been devised for the government of mankind. It is subject always to criticism. It is subject to improvement. We are living in an age when we have seen around the world the misuse of power and the overthrow of governments of one kind and another. I presume there is in the world at the present time almost every known form of government, but I doubt whether there are many people in Canada who would want to change what we have for what various countries abroad have. We do not want to be placed in the position where we can be subjected to a *coup d'état* by military personnel who are unhappy about the way things may be going on in parliament. Neither do we want to be subjected to a revolution by a group that may want to change our whole social structure. Nor do we want to establish an absolute monarchy or a dictatorship.

• (9:30 p.m.)

All of these things we have seen in the world within the last generation. In looking abroad at these other countries I think we can be very thankful that we have this type of institution, this type of government, which can be changed by the will of the people when the opportunity is presented. It does give one a chance, through the freedom that we enjoy in Canada, to express a variety of different opinions without any worse effect than, perhaps, the jeers and ridicule of those who have a different opinion; and that is not a very serious burden to bear. Sometimes I think we do not count our blessings. Yet we should, when we look abroad and see the disturbed state of the world.

How has it come about, Mr. Speaker, that during the 100 years of our confederation we have not been bothered by great upheavals within our society that have in any way affected the nature of this institution? The foundations have been well and truly laid.

May I interpose this comment, Mr. Speaker. I had not intended to speak tonight. However, I discovered that there were others here who

wanted to speak tomorrow or Monday and had a carefully prepared speech which they did not want to break up. I am also informed that there are some members of the House of Commons on both sides of the house who are busily engaged with our friends from the south and are counting on a little more time for their interviews and social intercourse. So there had to be a sacrificial lamb tonight to fill in the last 15 minutes, and it is a strange thing, Mr. Speaker, that on this side of the house my colleagues seem to think of me when these occasions occur.

Consequently, sir, I am now addressing the house, not because I had a prepared speech ready, with that profundity of thought that should be given to speeches that are presented in this house; rather I am here to express some of the thoughts that have occurred to me from time to time, and some of the thoughts that I would have put into a speech had I had the opportunity for preparation. For I am a great believer in this institution, and I think that people who enter parliament and students of the history of our country would do well to pursue a course of study that will give them the background of the development of our system of government. If people would do that I think there would be less careless criticism of this institution.

I recommend to the hopeful young people of this country who are looking forward to taking a place in the government of Canada, and who already know that they are much more able than some of us who are here in this building, that they make an intensive study of the development of parliamentary institutions. I recommend to them a study of the history of Great Britain in the seventeenth century, when the fundamental freedoms were established, when the absolute monarchy was reduced in its power, and parliament started on the course of becoming the supreme governing body in the kingdom. They should then pursue that study through the eighteenth century, and particularly the nineteenth century when the adult population, with the sole exception of the women, who did not reach our exalted state till the twentieth century, was given the right to select its rulers.

With that background of information with regard to this institution and our system of parliamentary government, I cannot understand, sir, how anyone could criticize this system, other than in its smaller details, such as methods of procedure and things of that nature. I cannot understand how, with that knowledge and understanding of the long years of struggle to obtain the freedoms that we enjoy, anybody could attempt to undermine in any way the foundations of this system.

I think that some of those who carelessly criticize parliament have not the background of knowledge that, in my opinion, they should have. It has been a long struggle over centuries to obtain freedom—freedom to do exactly what we are doing here, to express our opinion on any subject under the sun without fear or favour.

That freedom was not enjoyed in earlier years. There were great restrictions placed upon people who spoke out of turn, just as that restriction is applied in some countries today. It is only a few days ago that in the country in which human freedom originated, Greece, the liberty of the individual was restricted. Pleasant as it might be to imprison your political opponents to get them out of the way, and while we sometimes toy with that idea here, when we get a little aroused, nevertheless we realize that that is not the way in which free men can live and enjoy freedom and develop their country and civilization. It takes only a matter of hours with a properly prepared *coup d'état* to destroy a free institution—whether temporarily or permanently, who knows?

There has been a great deal of criticism of parliament during the last few years. This is not new. I happened to be reading a book dealing with the year 1808, about the letter writer Creevey, who at that time was a member of parliament. He was a voluminous letter writer, and in one of his communications he was talking about the apathy and indifference of the public to parliament. This as I say was away back in 1808, Mr. Speaker, when the Napoleonic war was still going on. Great Britain became engaged in the Peninsula war assisting Portugal and Spain. Yet Creevey, a member of parliament, writes about the apathy and indifference of the populace of Britain to parliament.

• (9:40 p.m.)

And so it goes on. We know of all the apathy and indifference in this country with regard to issues which we are discussing here, and which appear to make no appeal to people abroad. Nevertheless, despite the occasions on which parliament appears not to be in touch with the public and the occasions when the public appears to be disinterested in this institution, all that is required is some crisis and immediately the people turn their

Division

attention to parliament and ask for consideration of the problem which confronts the nation. And immediately the members of parliament flock into this chamber to listen to or participate in debates.

So in some ways we act as a fire department to protect our country and our people in case of emergency. Then on occasions, when there is no crisis, and no great issue is in front of us, we carry on at a lower level and our work is largely routine.

Mr. Speaker, I find I shall have to carry on with my observations tomorrow because there are some other thoughts creeping into my mind which I cannot develop in the course of the next minute or so. I do not intend to deal with the speech from the throne as a whole, because it has been effectively demolished by the Leader of the Opposition (Mr. Diefenbaker), the hon. member for Yukon (Mr. Neilsen) and others.

I wish to deal specifically with the emphasis which the Prime Minister (Mr. Pearson) is placing on the management of the business of the House of Commons. This has become a favourite topic with him. Periodically he talks about what we must do here to organize the business of the house so that things may be done more efficiently and effectively and so that there may be some streamlining of this institution. With this preview of what I shall say tomorrow, I now resume my seat.

Mr. Deputy Speaker: It being 9.45 p.m. it is my duty pursuant to standing order 38, subsection 3, to interrupt these proceedings and forthwith put the question on the subamendment now before the house.

The house divided on the amendment to the amendment (Mr. Douglas) which was negatived on the following division:

YEAS

Messrs:

Allard
Barnett
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Douglas
Fawcett
Gilbert
Howe (Hamilton-South)
Lewis
MacInnis (Mrs.) (Vancouver-Kingsway)
Martin (Timmins)
Mather
Orlikow
Peters
Saltsman
Schreyer
Scott (Danforth)—17.

NAYS

Messrs:

Alkenbrack
Allmand
Andras
Asselin (Richmond-Wolfe)
Badanai
Baldwin
Ballard
Basford
Batten
Beaulieu
Béchard
Bell (Carleton)
Bell (Saint John-Albert)
Benson
Berger
Blouin
Boulanger
Bower
Brand
Byrne
Cadieux (Terrebonne)
Caouette
Chatterton
Chatwood
Choquette
Churchill
Clancy
Clermont
Comtois
Côté (Dorchester)
Côté (Longueuil)
Côté (Nicolet-Yamaska)
Crossman
Danforth
Davis
Deachman
Diefenbaker
Dionne
Drury
Dubé
Émard
Ethier
Fane
Forbes
Forest
Gauthier
Gendron
Godin
Gray
Groos
Guay
Habel
Haidasz
Hamilton
Harley
Honey
Hopkins
Jamieson
Johnston
Jorgenson
Keays
Kennedy
Kindt
Klein
Korchiniski
Lachance
Laflamme
Laing
LaMarsh (Miss)
Lambert
Langlois (Chicoutimi)
Laniel
Laprise
Latulippe
Leblanc (Laurier)
LeBlanc (Rimouski)
Leboe
Lefebvre
Legault
Lessard
Lind
Loiselle
Macaluso
Macdonald (Rosedale)
MacEachen
MacEwan
Mackasey
MacLean (Queens)
Macquarrie
McCutcheon
McIlraith
McIntosh
McLean (Charlotte)
McNulty
McWilliam
Madill
Mandziuk
Martin (Essex East)
Matheson
Matte
Mongrain
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Neveu
Nielsen
Nixon
Nowlan
O'Keefe
Orange
Ormiston
Pascoe
Pepin
Pickersgill
Pilon
Prud'homme
Racine
Rapp
Régimbal
Reid
Richard
Rideout (Mrs.)
Rochon
Rock
Roxburgh
Ryan
Scott (Victoria (Ont.))
Sharp
Sherman
Simard
Simpson
Skoreyko
Smallwood
Southam
Stafford
Stanbury
Starr
Stefanson
Tardif
Teillet
Thomas (Maisonneuve-Rosemont)
Thomas (Middlesex West)
Tolmie
Turner
Wadds (Mrs.)
Wahn

Walker
Watson (Châteauguay-Huntingdon-Laprairie)
Webb
Whelan
Winkler
Woolliams
Yanakis—156.

• (10:10 p.m.)

Mr. Speaker: I declare the amendment to the amendment lost.

Mr. McCleave: Mr. Speaker, I was paired with the Minister of Justice (Mr. Trudeau).

Division

Mr. Tucker: I was paired, Mr. Speaker. Had I voted, I would have voted against the sub-amendment.

Mr. Pennell: Mr. Speaker, I was paired. Had I voted, I would have voted against the sub-amendment.

It being seventeen minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, May 12, 1967

The house met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF REPRESENTATIVES OF UNITED STATES CONGRESS

Mr. Speaker: May I be permitted to bring to the attention of hon. members the presence in the galleries to my left of a very distinguished group of representatives from the United States Congress.

Some hon. Members: Hear, hear.

Mr. Speaker: These Senators and members of the House of Representatives, accompanied by their wives, are attending the tenth annual meeting in Ottawa of the United States-Canada interparliamentary group. On behalf of all hon. members I extend to them very cordial wishes and express the hope that their stay with us will be pleasant, interesting and fruitful.

Some hon. Members: Hear, hear.

• (11:10 a.m.)

EXTERNAL AFFAIRS

VIET NAM—OPPORTUNITY FOR EXPRESSION OF CANADIAN VIEWPOINT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, yesterday, Secretary General U Thant made a frightening statement regarding the danger of the world slipping into world war III. He made the suggestion that a bombing pause or cessation at this time might be conducive to bringing about discussions at the conference table. Will the Prime Minister say whether within the next two or three days an opportunity will be given to this house by resolution for this parliament to place before the world the viewpoints of the Canadian parliament and people in this connection? The suggestion of U Thant was that unless something is done it will be too late to prevent a world conflagration.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the government and I am sure parliament share the concern expressed by the Secretary General of the United Nations, a concern which I indicated I felt myself when I spoke during the debate on the speech from the throne on Wednesday last. I do not think anyone can predict what may happen in Viet Nam if hostilities continue unabated, but the prospect of the indefinite prolongation of such hostilities is obviously fraught with dangerous possibilities. That is why the Canadian government has been doing everything it could to help bring these hostilities to an end.

I recalled the other day the efforts we had made in this direction. I should perhaps recall also the suggestion put forward on April 11 of this year by the Secretary of State for External Affairs, when he proposed that the first phase in this process of ending hostilities might envisage a cessation of the bombing of North Viet Nam together with effective supervision of the demilitarized zone. I think I should also recall that the United States government has indicated its willingness to begin negotiations at once on the cessation of hostilities on both sides.

The right hon. gentleman has suggested that a resolution might be brought forward in the house in respect of this matter. We are now on the throne speech debate, and during the next four or five days there will be an opportunity for hon. members who wish to speak on this subject to make their views known. Perhaps we should reserve our consideration as to whether any formal action of the kind suggested is required until this debate has been completed.

Mr. Diefenbaker: Mr. Speaker, I had hoped the Prime Minister would consider the possibility of a resolution giving the opportunity to parliament rather than the government, to present the views of all Canadians.

Let me now ask the Prime Minister this question. What about Hanoi? Has there been any reaction by Hanoi to the representations from the Canadian representative? The other day there was the suggestion that Hanoi had been approached and that certain secret discussions had taken place. Hanoi, which has been very provocative throughout, and unrelenting in its attitude, has stated that there was no such discussion with the Canadian representative and that no consideration whatever was given to Canada's representations

in this regard. Would the Prime Minister comment on that?

Mr. Pearson: Mr. Speaker, I will ask the Secretary of State for External Affairs to answer that question, as he has been in direct touch with our representative on this point.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I saw the statement in yesterday's press attributed to a spokesman for North Viet Nam. I will say again that our representative on the international commission went to Hanoi at the end of April; that this visit and the talk were at our request and in accordance with normal practice; that in the course of his discussions with North Vietnamese representatives he drew attention to the statement which I made before the external affairs committee on April 11. But as I said in this house, and as I say now, I have no evidence, nor have we at any time suggested that we had any evidence, that the general approach reflected in the Canadian statement has been favourably received by the government of North Viet Nam.

I want to take this opportunity also, and I regret having to do so in this way, of categorically rejecting the charge made by the government of North Viet Nam that, as they put it, "The four-stage plan of Canada is only an American plan, a part of the United State aggressors' peace negotiation hoax. It has been put forward according to a well co-ordinated program previously arranged with the Johnson clique." Indeed, as I informed the house on May 8, the proposal that there might be a cessation of all military activity against North Viet Nam, balanced by a resumption of full and effective control of the demilitarized zone by the international commission, has not met with specific acceptance by the government of the United States any more than it has been accepted by the government of North Viet Nam.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Prime Minister and at the same time express the hope that the government will give serious consideration to introducing a motion on Viet Nam so the house may express its opinion on this very important matter, possibly affecting the survival of mankind.

In view of the fact that it is essential that Canada's effectiveness on the international control commission be maintained, I want to ask the Prime Minister whether he intends in the course of the next few days to introduce a motion referring the statements of Mr. Gerald Clark of the Montreal *Star* and Mr. Tim Ralfe of the Canadian Broadcasting Corporation to the committee on external affairs just as soon as that committee is set up.

Mr. Pearson: Mr. Speaker, I have already twice in this house denied the statement that Canadian members of the international commission have been guilty of spying or any clandestine activity. So far as an appearance before the external affairs committee and discussion on this matter is concerned, the committee is master of its own procedure and when it is set up—and we will set it up without delay—it will be able to decide whether it wishes to discuss this particular matter.

Mr. Douglas: A supplementary question, Mr. Speaker. In view of the fact that the Prime Minister has already indicated his willingness to have this matter discussed by the committee on external affairs, and in view of the fact the committee cannot deal with a matter unless it is referred to it by the house, would the Prime Minister consider submitting a motion to the house referring this question to the committee on external affairs for full investigation, with the power to call witnesses and examine them under oath and to call for all the relevant documents?

Mr. Pearson: I will look into this matter, Mr. Speaker.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I wish to put a question to the Secretary of State for External Affairs. Is it true that Hanoi has rejected the peace proposals he has put forward and is he in a position to say also whether he intends to make new peace proposals to North Viet Nam?

Mr. Martin (Essex East): Mr. Speaker, I think it is a fact that the Hanoi government has not, as I stated yesterday, accepted the four points that I have raised. When I raised them, I said that I held no hope at the time that such suggestions could be accepted by either side.

Naturally, the Canadian government, just like other governments, is concerned with this question and we shall seriously consider whether another *modus vivendi* can be found concerning this situation. However, I must say quite frankly that, in the present situation, there are very few reasons for optimism.

[*English*]

AGRICULTURE

PRESENTATION OF BRIEF BY ONTARIO FEDERATION

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I should like to direct my question to the Minister of Agriculture or his parliamentary secretary. With the announcement that the brief by the Ontario Federation of Agriculture will be presented on May 24 here on parliament hill, can the minister tell the house whether plans are being made to meet this important delegation on that day and whether the topics in the brief will be discussed?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would like to take that question as notice and discuss it with the minister. Plans are being made to receive this delegation.

Mr. H. W. Danforth (Kent (Ont.)): I have a supplementary question, Mr. Speaker. I know that because of Expo '67 the Prime Minister has many additional appointments, but in view of the serious matters involved may I ask the right hon. gentleman if an opportunity will be provided for him as well as the Minister of Agriculture to meet the farm representatives on this occasion?

Mr. Pearson: I would hope I could do that. I point out that the delegation leaders did fix a date without consulting me, and it was a date on which I could not possibly receive them. However, I am hoping to make arrangements so I can do so.

HEALTH AND WELFARE

INCLUSION OF ADDITIONAL SERVICES UNDER PROVINCIAL PLANS

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Minister of National Health and Welfare; in his absence perhaps it could be taken as notice. Does the minister's statement on page 15087 of *Hansard* for April 19, that a consensus must develop within the provinces before any further health services would qualify for federal assistance, mean that he is repudiating his commitment made with regard to these services—

Mr. Speaker: Order, please. The question is argumentative.

Mr. Muir (Lisgar): On a point of order, Mr. Speaker. On December 6, 1966 the Minister of National Health and Welfare, in reply to a question put to him by the hon. member for Burnaby-Coquitlam, said that the construction put on the proposed amendment was correct, namely that it would be possible for one or any number of provinces to admit any health services. On April 19 he said that this was impossible; therefore I think it is quite in order for me to ask him—

Mr. Speaker: Order. The hon. member is only confirming what I said a moment ago, namely that the question is argumentative.

IMMIGRATION

REQUEST THAT REFUGE BE GRANTED GREEK NATIONALS

On the orders of the day:

Mr. Milton L. Klein (Cartier): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration, but in his absence perhaps it could be answered by his parliamentary secretary. Will the government grant refuge to, and suspend all deportation proceedings against Greek nationals until a democratic government has been restored in Greece?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): I will be pleased to draw this to the minister's attention.

TRADE

REQUEST FOR REPORT ON GENEVA TARIFF NEGOTIATIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, now that the zero hour approaches in connection with the Kennedy round of tariff negotiations in Geneva, is the Prime Minister in a position to give a report as to whether there is any hope or optimism that the deliberations will bring about the possibility of a substantial reduction in tariffs? Can he also inform us what if anything has been decided in connection with agricultural products, and wheat in particular since there are markets for it in Europe, as well as aluminum?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Ministers of Trade and Commerce and Agriculture are both in Geneva, and I hope they will be returning early next week with good news about an agreement, which we all hope can be achieved. The news has not been very encouraging in recent days, although there has

been an improvement in the situation in the last day or so with the return of the representatives of the European common market. Perhaps in this case it will be the dark hour before the dawn. I hope the minister will be able to report on the dawn when he gets back next week.

Mr. Diefenbaker: Does the answer of the Prime Minister indicate a roseate hope that there will be a dawn?

Mr. Pearson: I certainly hope there will be a dawn and a very rosy dawn. I had better not commit myself until I see what is happening to the clouds.

Mr. Eldon M. Woolliams (Bow River): I have a supplementary question, Mr. Speaker. Can the Prime Minister disclose now whether there have been any discussions with Prime Minister Wilson of Great Britain concerning the export of western grain and the price of that grain, in relationship to Britain joining the European common market?

Mr. Pearson: All these matters were discussed at the recent United Kingdom-Canadian ministerial conference in London.

Mr. Woolliams: A further supplementary question, Mr. Speaker. Is the Prime Minister prepared to tell us what discussions took place in that regard, and what was the position of the Canadian government?

Mr. Pearson: Mr. Speaker, the Minister of Trade and Commerce made a report on the matter. I have nothing to add to what he said at that time, and certainly not until the negotiations are complete.

POWER

COLUMBIA RIVER TREATY—FURTHER COMMITTEE CONSIDERATION IN VIEW OF EXCESSIVE COSTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Energy, Mines and Resources in very appropriate circumstances. In view of the definite reports that expenditures under the Columbia river treaty will exceed the amount received by the government of British Columbia by over $200 million, will the minister consider referring this treaty to the appropriate committee so it can be examined again and the committee can hear officials as well as persons who would like to make representations?

[Mr. Pearson.]

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): This matter has now become the exclusive responsibility of the government of British Columbia. Only last week I was assured that that government could take care of the situation without help from anybody. I would add that because of the fact that some of these dams will be completed earlier than the date foreseen in the agreement, there will be added benefits which will help compensate for some of the increased costs.

Mr. Herridge: May I ask a supplementary question. Does the minister realize that this treaty was strongly recommended to the committee by the Secretary of State for External Affairs?

Mr. Speaker: Order, please.

Mr. Martin (Essex East): By the whole house.

FINANCE

REQUEST FOR REMOVAL OF TAX ON TELEVISION SETS

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I have a question for the Minister of Finance which arises out of a report that the television industry in Canada is suffering from a near depression because of the luxury tax on colour television sets. This tax is also having an effect on the market for black and white sets. It has been recommended by the Carter commission that this tax should be removed, and there would be an opportunity for the minister to remove it at an early date.

An hon. Member: You would look good on colour T.V.

Hon. Mitchell Sharp (Minister of Finance): I have heard these representations not only from the hon. gentleman but from others, and the matter will be considered in connection with the budget.

Mr. Winkler: On a question of privilege, Mr. Speaker, I should like to refer to the remark made by a backbencher. I hope he will be ready to play ball on the 24th.

HOUSING

REQUEST FOR MEASURES TO STIMULATE SPRING STARTS

On the orders of the day:

Mr. J. R. Keays (Gaspé): I should like to direct a question to the minister responsible

for Central Mortgage and Housing Corporation. Earlier the minister told us he would make a statement within a few days on the problems connected with housing. He made a statement yesterday, but after half an hour he had not really told us anything new, so I am wondering whether he is going to participate in the debate again and perhaps complete his speech.

Hon. J. R. Nicholson (Minister of Labour): I ask the hon. member to read the speech made yesterday. There was some very interesting information in it, if he would only read it.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I have a question I should like to direct to the right hon. Prime Minister, Mr. Speaker. In view of the very large number of guests who will be coming to Ottawa this summer, and in view of the Prime Minister's reported and very appropriate concern about the condition of Ottawa streets, will the Prime Minister consider requesting his colleagues to have Colonel Churchill of Expo fame, who did such a good job there, seconded to take charge of this problem in Ottawa?

Mr. Speaker: Order, please.

FISHERIES

NOVA SCOTIA—REPRESENTATIONS RESPECTING OPENING OF LOBSTER SEASON

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): My question is for the Minister of Fisheries, but in his absence I will address it to the acting minister who I presume would be the fisherman from Bonavista-Twillingate.

Following the questions which have been posed in the house in the past few days with regard to the lobster districts, would the minister consider delaying the opening of the season in district 6B in view of existing ice conditions? This question is brought about as a result of wires that I have received today.

Hon. J. W. Pickersgill (Acting Minister of Fisheries): Mr. Speaker, I would be glad to bring the hon. gentleman's representations to the attention of the department. I am sure my hon. friend the Minister of Fisheries will be able to give a report at the beginning of the week.

Mr. H. Russell MacEwan (Pictou): A supplementary question to the Acting Minister of Fisheries, Mr. Speaker. In view of the fact that the Minister of Fisheries is announcing today the postponement of the opening of the lobster season in district 7B, I wonder whether the acting minister would ask the minister to reconsider this decision and to check with the many fishermen in all parts of the district, as he stated he would do in answer to a question I asked, on May 10.

Mr. Pickersgill: Mr. Speaker, as soon as it is possible for me to leave the house—and perhaps someone is listening who can do it even sooner—I will see that the hon. gentleman's representations are brought to the attention of the fisheries department.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO CORRESPONDENCE WITH ONTARIO PREMIER

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Prime Minister. Has the Prime Minister had any formal correspondence with the premier of Ontario in regard to the constitutional conference proposed by the premier of Ontario? If he has, would he make it available to the house?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think I have already tabled certain correspondence on this matter. I told the Leader of the Opposition yesterday that I was asking the approval of the provincial governments to table the letter I sent to them dealing with the proposed talks on, I think, July 5. As soon as I get that approval I will be glad to table that letter.

[*Translation*]

VOCATIONAL AND TECHNICAL TRAINING

AGREEMENT BETWEEN OTTAWA AND QUEBEC RESPECTING ASSISTANCE TO HANDICAPPED

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, I intended to put a question to the hon. Minister of Manpower and Immigration about an answer I have received concerning the adult training program, but in view of his absence I shall put it to his parliamentary secretary. Can he tell us if there is now an agreement between the federal and the Quebec governments concerning the handicapped? If so, is he in a position to so advise

the employees of the employment bureau who even yesterday knew nothing about it?

Mr. Speaker: Order. The hon. member is making a suggestion of which the minister will take note.

[*English*]

NORTHERN AFFAIRS

INQUIRY AS TO AMENDMENT OF YUKON QUARTZ MINING ACT

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, now that the Minister of Finance has somewhat relieved the concern of the mining industry by his statement of yesterday, I wonder whether the Minister of Indian Affairs and Northern Development could relieve the urgent concern of the industry with respect to when it might be expected that amendments to the Yukon Quartz Mining Act will be introduced.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, we would hope at an early date. Some conversations are taking place now between my officers and the two sections of the industry concerned, and we hope they will be satisfied at a very early date.

Mr. Nielsen: A supplementary question, Mr. Speaker. Does the minister on behalf of the government anticipate that those amendments might be before the house this session?

Mr. Laing: It would be my hope, yes.

[*Translation*]

EXTERNAL AFFAIRS

QUEBEC—STATUS OF CANADIAN AMBASSADOR TO BELGIUM

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I wish to direct to the Prime Minister an urgent question about a recent incident which could endanger the sovereignty of the federal government in the field of international relations.

Has the federal government or one of its officials received a telegram from the chief of protocol of the Quebec government to the effect that the Canadian ambassador to Belgium would be considered *persona non grata* by the Quebec government during the visit of Prince Albert de Liège and his wife?

Mr. Speaker: I wonder whether the question is urgent at this time.

[Mr. Godin.]

Mr. Choquette: Mr. Speaker, the urgency of my question is based on the fact that, in Quebec city, a former Conservative member by the name of Jean-Noël Tremblay is in the process of undermining confederation by all sorts of unacceptable statements and attitudes.

Mr. Speaker: Order. Order.

Mr. Choquette: All separatists are former Conservative members—

Mr. Speaker: Order.

Mr. Choquette: Jean-Noël Tremblay.

Mr. Speaker: Order. Surely the hon. member for Lotbinière knows that he should resume his seat when the Chair asks him to do so.

Mr. Choquette: Mr. Speaker, since Jean-Noël Tremblay, former Conservative member of parliament and separatist, and Yvon Groulx, former Conservative candidate—

Mr. Speaker: Order. Would the hon. member resume his seat? The hon. member is supposed to put a question to the house and I am sure he knows that he cannot preface it with a series of considerations.

Mr. Choquette: I will rephrase my question. I should like to know, Mr. Speaker, and I put the question to the Secretary of State or her parliamentary secretary, whether the Laurendeau-Dunton commission will make a thorough study of the actions of the Conservative party in order to find out why all the members from Quebec are becoming separatists?

[*English*]

CANADIAN BROADCASTING CORPORATION

PROPOSED TELEVISION BROADCAST OF HISTORY OF PARLIAMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct this question to the Prime Minister in the absence of the Secretary of State. Parliament voted a specific amount to the Canadian Broadcasting Corporation for centennial purposes. One of the plans was that parliament and the history of parliament would be televised. That plan has now been cancelled by the C.B.C.

I would ask the Prime Minister whether he would communicate with the C.B.C. with a view to having this program reinstated, for

certainly this is the year when to the greatest extent possible parliament and its operations should be made available to the Canadian people.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to bring this matter to the attention of the C.B.C. I myself did not know that a program of this kind had been cancelled. I did receive a letter from the president of the C.B.C., I think yesterday or the day before, referring to statements that had been made in the house on Wednesday and offering the co-operation of the C.B.C. in every way possible so as to televise the proceedings of parliament.

Mr. Diefenbaker: Mr. Speaker, this plan was not for televising parliament in general but for an historical story of parliament with the television cameras in parliament so the Canadian people, and particularly the school children, would have a better knowledge of this institution.

Mr. Pearson: I would be very glad to follow up that matter at once.

BUSINESS OF THE HOUSE

REQUEST FOR EARLY CONSIDERATION OF BILL TO ABOLISH THE SENATE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. I wonder whether the government would consider expediting the consideration by this house of my bill to abolish the Senate, so we can get the bill to the other house and find out how many senators agree with Senator McCutcheon's views about that institution.

Right Hon. L. B. Pearson (Prime Minister): My hon. friend should not be so pessimistic about his chances of becoming a senator.

Mr. Knowles: I want to get the Senate abolished so that all our chances will disappear.

GRAIN

MAINTENANCE OF ATLANTIC PORTS SHARE OF EXPORT BUSINESS

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Transport. In view of the minister's intimation in the house the other day that the National Harbours Board may dispose of its grain elevators in the maritimes as well as in Quebec, will the minister alleviate fears in the maritimes by stating that maritime ports, regardless of the ownership of the grain elevators, will get their fair share of the grain export business, particularly in the winter season?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the hon. gentleman's question, as is sometimes the case with his questions, is a bit complicated, but I think if I dealt with the first part it might allay any fears. As far as I know—and I think I would know but I will ascertain whether I am right—there are no negotiations for any change in the ownership of any government facilities either at Saint John, New Brunswick, or at Halifax.

Mr. Bell (Saint John-Albert): Even at that, Mr. Speaker, would the minister assure the maritime ports, now that they may be in competition with privately owned grain elevators in Quebec, that they will get their share of the business?

Mr. Pickersgill: Mr. Speaker, the government does not actually control the movement of the wheat, but anything I can reasonably do to see that Saint John and Halifax get even a little more than their share of the business I would have a certain sympathy with.

CANADIAN NATIONAL RAILWAYS

REPORTED INTENTION TO REDUCE TRANSCONTINENTAL PASSENGER SERVICE

On the orders of the day:

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, perhaps I might answer a question asked by the hon. member for Moose Jaw-Lake Centre based on a rumour which I am happy to say turns out to have been ill founded. Canadian National Railways has no intention whatever of reducing its transcontinental passenger service during centennial year; indeed, they are making every effort to carry as many passengers as possible because of the immense amount of traffic being offered.

[*Translation*]

INCOME TAX

QUEBEC—EXEMPTION FOR CHARITABLE DONATIONS

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to direct a question to the Minister of National Revenue.

Inquiries of the Ministry

Since most receipts for charitable donations given by parish priests to Canadian workers have been reduced by the department in the last two years, could the minister tell us whether this period of time has been long enough to lead the people to think that parish priests are liars?

Mr. Speaker: Order. For many reasons, the question is out of order.

[*English*]

HEALTH AND WELFARE

REQUEST FOR REVIEW OF STATUS OF THE BLIND

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in the absence of the Minister of National Health and Welfare may I direct my question to his parliamentary secretary. Has the national convention of the remembrance association which we honoured two days ago in the gallery, the Silver Cross Women of Canada who gave their husbands and sons, communicated with the minister respectfully requesting the government seriously and immediately to review the status of the blind with respect to their allowances and the rules relating thereto, and requesting that the means test be abolished? If so, what is the government prepared to do?

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the government had a representative at the meeting, and I am sure the subject matter of the hon. member's question has been drawn to the minister's attention.

INSULIN—REQUEST FOR PROTECTION OF USERS FOLLOWING PRICE INCREASE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): My question is addressed to the Acting Minister of National Health and Welfare and has to do with something of national interest, the announcement today that pharmacists across the country will increase the price of insulin by up to 100 per cent. Does the government contemplate doing anything about this? Has the situation been looked into, to protect those large numbers of Canadians using insulin?

Mr. Speaker: Order. The hon. member is making a representation which will be noted, I assume.

[Mr. Godin.]

Mr. Winkler: May I ask a supplementary question. May I ask the Prime Minister if it would be possible to submit this matter, because of its national implications, to the standing committee on drug costs and prices?

Right Hon. L. B. Pearson (Prime Minister): I shall be glad to look into this matter. I assume my hon. friend is referring to the increased price of insulin?

Mr. Winkler: That is correct.

VETERANS AFFAIRS

INQUIRY AS TO REPORT ON PENSION COMMISSION

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I wish to address a question to the Minister of Veterans Affairs. Has he received the report of the Wood commission? If not, would he advise the house when he expects the commission to submit its report?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I have not yet received a report; the chairman at present is in Europe and I expect his return this coming week. I shall attempt to obtain an answer to the second part of the question after he returns.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, May 11, consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Diefenbaker.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, last night when I unexpectedly entered this debate I made a few remarks about parliament. Because of words that have been spoken in the debate and the interest which is being shown across the country in this institution, I spoke about it, expressing regret that the Prime Minister and the cabinet have been using a certain amount of their time in addressing the public outside this chamber and finding fault with the institution of parliament.

In centennial year of all years I thought we should all draw our people's attention to the values of our parliamentary system. The right hon. Leader of the Opposition has done so repeatedly, as have other hon. members on

this side. I had hopefully expected that Liberal party members, led by the Prime Minister, might pay respect to the development of our parliamentary system and encourage young people of this country to show the veneration that this institution deserves.

Unfortunately that has not been done. We have reached the stage where for the first time, I believe, in the speech from the throne a reference has been made to the internal management of this place. I wondered, when listening to the speech, why the internal management of the business of the house should be mentioned. Surely that is for the members of this house to deal with.

Then on the first day of the session the Prime Minister asked for and received unanimous consent to re-establish the committee on rules and procedures. That again was most unusual. He dwelt at some length, when speaking two or three days ago, on the necessity for modifying rules and procedures of this chamber. The Minister of National Health and Welfare, who has been appointed government house leader, in his turn has been discussing outside the house what he thinks ought to be done, as he put it, to streamline the procedures of this chamber.

Changing the rules and streamlining procedure apparently is one of the matters uppermost in the mind of the government, and across this country the impression has been created that something is seriously wrong with parliament. Editorial writers take a hint from the Prime Minister and the cabinet and write articles about how matters ought to be conducted differently and how the house business ought to be speeded up.

When editorial writers write of unnecessary delays and length of debates they miss entirely something of fundamental importance; that is, the preservation of freedom which rests with this institution. We have here an alarming situation. Gradually, in a typically Liberal way, this institution is being hamstrung by restrictions. Over the years we have changed the rules substantially, and in most of the changes I have concurred. Nevertheless, restrictions limiting the time for discussion have been imposed; the length of time members may speak has been reduced. A number of restrictions have been introduced within the last ten years most of them, unfortunately, restricting the time in which private members may speak.

Matters have now reached the stage where the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) suggested further limitations yesterday. He said that the speech from the throne ought to be reduced to a three day debate. That would mean that only 30 members of this house would be able to speak. Of those 30 members how many would be backbenchers? About half only, I suggest.

He suggested that the budget debate be reduced to three days, once again placing a limitation on the private members of the house; because the cabinet ministers, the front benchers on this side of the house, and the leaders of the various parties, small or large, would be the ones who would participate in the debate. Once again he was suggesting that the private member be restricted.

• (11:50 a.m.)

Government ministers view the private members of this house with indifference. They are like the Gadarene swine, dashing down the slope to destruction. Private members, if the government's intentions are carried out, will become mere puppets in this chamber, just rubberstamping things put in front of them. That is the situation that is facing us, and I think there should be a revolt on the part of the private members in this chamber.

Mr. Allmand: May I ask the hon. member a question?

Mr. Churchill: Yes.

Mr. Allmand: Has the hon. member studied the rules in Great Britain, where the budget debate is limited to three days and they have over 600 members?

Mr. Churchill: Yes, I have made a very careful study of parliamentary institutions and of the rules in the United Kingdom. They offset some of these restrictions by other methods. They have special debates more frequently on urgent matters of importance, debates which we cannot have here. If the opposition in the British House of Commons asks for an immediate debate on the subject of Viet Nam, Rhodesia or West Africa, it is granted. How do you get an immediate debate in this house? You don't. It is a rare thing to have a request like that granted here. We have to wait for a supply motion or something else. Consequently, unless the system is changed we have to rely on these general debates such as the speech from the throne or the budget debate. That is why interim supply has been misused by both major parties when in opposition because the opportunity is not provided for immediate discussion of some matter of great public importance.

I do not think we have to follow the British system entirely. I believe we can work out our own methods. Theirs is a unitary system of government. We operate under a federal system, and we have problems ranging from coast to coast which have to be disclosed and discussed in this chamber. That makes this chamber somewhat different in its methods from the chamber in the United Kingdom.

It is important to look at the rules and procedures of this chamber but I think that should be done as it used to be done, under the direction of the Speaker with agreement among the parties, rather than by the acceptance of government proposals which can be forced through the house by the majority which the government can obtain through the support of various smaller parties in the house. That is the weakness of what has happened during the last two or three years. It is a compulsory alteration of the rules of this chamber, and the more the restrictions are applied the more is freedom of speech denied.

Mismanagement of government business has been the cause of a great deal of this. We have just had the longest session in Canada's history, and that was unnecessary. The session should have closed last December and a new one should have been opened in January. On the one hand the Prime Minister complains about the length of the session. On the other hand he boasts about the number of bills that were passed last session. He mentioned 83 as the figure. I will wager right now that not many members of this House of Commons could name more than six of those 83 bills that were passed. There were only about six that were of major importance. It is not quantity but quality that is desirable.

I recognize that we are living in an age where everything has to be instant. We have to have instant news. Now we want instant legislation. This will lead us astray. We should take our time in debating matters which are going to affect the people of this country for many years to come, in order to make sure that mistakes are not made.

Over the years I have been in this chamber I have been unable to discover a bill that has been unduly delayed. If a longer time is spent on one bill than on another it means that bill is controversial, badly drafted, or will have ill effects unless modified. I have reviewed this situation time and time again. I have discovered that 40 to 60 pieces of legislation are passed through the house in a normal session of parliament. The restrictions that are going to be imposed by the government will have a bad effect on this institution.

[Mr. Churchill.]

I am sorry I do not have time to dwell on this matter, but I want to mention two other things that are closely related to it. We talk about this institution failing to meet the desires of the younger generation. The younger generation is very vocal. It is well educated, which is a good thing, and the earlier it accepts the responsibilities which some of us have carried for many years the better I will like it. I want to become an armchair critic, to be able to say "You are not doing things right down there in the House of Commons." However, I may say I will not start criticizing my own party; I will start criticizing the other parties.

Our young people have a great future ahead of them, and I hope we will turn over this institution to them unimpaired and in good working order. In this connection I would point out that even as attentive an observer as George Bain in an article in this morning's *Globe and Mail* says that half the voters are under 25 years of age. This is something that was written by Peter Newman 18 months ago and has been slavishly copied by every newspaper in the country ever since. All you have to do, Mr. Speaker, is look to the Dominion Bureau of Statistics to find that 50 per cent of the people of Canada are under 25 years of age, but not all of them vote, at least not yet. We have not gone into the cradle, and if you look at the voting population of the country you find that those who are age 35 and over comprise 67 per cent of that population. One does not need a research staff to discover this; it is given in the D.B.S. figures.

The other matter I wish to mention is the suggestion which has been put forward that the proceedings of this chamber should be brought more closely to the attention of the people of the country through the medium of television. I think this is something that is coming, not that it is important how we appear on television. If entrance to this chamber were based on our appearance on television I think 90 per cent of us would be excluded immediately. What is important is our attention to debates in the chamber, the arguments we advance and our attendance, not to mention the manner in which we look after the problems of our constituents. However, it has been suggested that our proceedings be televised. Instead of television I would be inclined to start with radio, because television in its technical aspects is still in a very primitive state. It requires miles of cable, scores of lights and much cumbersome equipment.

Then I point out the danger of it. Dennis Braithwaite writes on these matters with considerable knowledge, and in his article in the *Globe and Mail* this morning he has already settled the issue. He has determined for himself that the Liberal front bench is photogenic and will carry everything before it. The backbenchers again are left out. But he says the Liberal front bench is fine and that the Liberal team will shape up very well under the leadership of the Prime Minister. However, he closes with this paragraph, and here is where the danger lies:

> Who should edit the videotapes, the Speaker of the House or some other so-called neutral functionary? Not at all. Editing must remain the sole responsibility of whatever producer is in charge, or someone he selects for the job.

• (12 noon)

So there you have it; it has all been prepared. Television will be brought into this chamber. The photogenic cabinet will appear on the screens. There will be a careful editing. We will have a Grit film strip for distribution across this country. This is the reason I suggest we should start with radio. This is a sophisticated medium, to use the modern term. No equipment is needed. All you need is a little gadget in front of you on the desk.

Then I say let it be a live program, unedited, unexpurgated and, to use Arthur Meighen's phrase, unrevised and unrepented. Let the actual words go out to the people of the country, not somebody's expurgated edition. I have often taken part in some of these little radio and television interviews. I have spoken freely to the interviewer for 15 or 20 minutes. Then two things have happened. Either I do not appear at all on television, which is understandable, or only a sentence or two is extracted from what I have said.

I do not mind my words going out over the air in the same way they are uttered in this chamber. Many people sit in these galleries and listen to what is said and form their own opinions. I do not mind if a million radio listeners have the same opportunity. So I would start with radio. Let us see what the result would be; let us have an unedited, unexpurgated edition go out to the people. I should like the people of this country to hear the evasive answers of the Minister of National Defence (Mr. Hellyer). I should like to listen to the million gasps of utter astonishment when the Secretary of State for External Affairs (Mr. Martin) gives one of his tortuous, involved, meandering answers to questions in this house. Then the people of this country really would understand what is going on here. When it is heard it is much different to what it is when it is read.

This is where I would make my start. I would take the proceedings of this chamber to the people of the country. If the people of this country realized the fundamental purpose of this institution I believe there would be less criticism of it. I deplore members of this chamber who contribute to this type of criticism which is expressed across this country—

Some hon. Members: Hear, hear.

Mr. Churchill: —led by the Prime Minister and members of his cabinet. Last night when I was speaking on this subject I said this is the year when we should thank God that we have a democratic institution like this, free from *coups d'état* and revolutions. For 100 years this institution has remained relatively unimpaired with its foundations not under attack as they have been in recent years. This is what I hope we will guard against here.

Two or three days ago when the Prime Minister was talking about the necessity to organize our program for this session he did exactly what he has done every year he has been in office. He has locked himself in; he has locked the House of Commons in. He holds a club over the House of Commons right now. He did it in 1963, 1964, 1965, 1966, and now he is at it again.

Let us take a look at what has happened. He outlined to us the things which he considers should be done during this session before there is what had been previously referred to as a summer recess or summer break. He listed certain items. All one need do is take a pencil stub and a piece of paper to discover the things he would like to do before there is a summer break. It would take 70 sitting days to complete the list. In other words it would take us until the middle of August. Therefore I announce now to members of this House of Commons that not until the middle of August will they have any opportunity to be with their constituents during this centennial year, or to participate in any of the centennial celebrations which will be going on in their home towns or cities, because the Prime Minister already has set the pattern. He has said what he wants done.

I should like to quote the words of the Prime Minister as they appear at page 49 of *Hansard*:

> I hope that the house is able to take action before any summer adjournment on certain matters which I shall mention. The debate on the address has to be disposed of.

That will take ten days when we count the two opening days.

> We must have approval of the main estimates—

Under the allocation of time rule that will take 30 days.

> —the budget has to be introduced and debated.

That will be another six days.

> Certain bills I think ought to be dealt with before any summer recess.

He listed those. In addition there are the supply motions, normally four. That will take eight days. How much time do we allow for each bill? Do we allow a half a day, one day or two days? On the average over the years two days are spent on a bill. On that basis 14 days would be spent on the seven bills. These figures total close to 70 sitting days.

So there you are; no summer adjournment, no centennial celebrations for the members of parliament. We will stay here and the Prime Minister will be off with the visitors who will be here from foreign countries. He will be at Expo and all across the country. The cabinet members will be travelling all across this country, and while they are doing so they will be complaining that parliament is not getting on with its business. This is the position in which we find ourselves during this centennial session.

Last winter we were told that this session would start early in the spring, that no legislation would be introduced and that we would have a reasonable summer adjournment because of the special nature of this year. We were told that then in the fall we would get down to business and complete the necessary work. But the Prime Minister has set the pattern. We are here to stay. If we want to get away for the summer, we must get rid of the speech from the throne. We must finish the debate.

Someone over there claps. He is a backbencher; he has nothing to contribute to the house. He does not want to speak, and we can do without him. So we must finish the speech from the throne speech debate today. We do not need a debate on the budget; just listen to the presentation given by the Minister of Finance, let the press commentators and the editors study it overnight and then let the newspaper, radio and press commentators tell us what is good and bad in it.

What about the supply motions? Why have four? The suggestion is that we really do not want to bring up the dairy problem, the problems of the farmers, and have votes on these matters. Oh, no; just ignore that; bring in the estimates of 22 departments in one fell swoop. Don't take 28 or 30 days to discuss them department by department; just chop it all off in seven days. After all, you can trust this government. You know, they just take the money from you and spend it. We are given to understand by this government that the people are not interested in how this money is spent or whether it is carelessly spent. So it is not necessary to spend any time discussing either the estimates or the bills. The Prime Minister in effect is suggesting that if we want a summer recess these bills which have been carefully prepared will be placed in front of us and all we need to do is rubberstamp them and let them go through.

Mr. Diefenbaker: That is what the hon. member for York East (Mr. Otto) says. He says the backbencher in the Liberal party is nothing but a puppet.

• (12:10 p.m.)

Mr. Churchill: Yes, rubberstamp the bills. Every major bill introduced by the Liberal party during the last four years has been subject to amendment in this house because of careless drafting and careless preparation. We are now told in effect by the Prime Minister, let us speed things up by not taking time to discuss the legislation and just rubberstamp it. That is the situation.

If this house is to adjourn at the end of June, for example, some telescoping of the business of the house must happen. If members take a different point of view from that of the government then the government will say it is sorry but we will have to continue through July and August because we must press on with the business of the country. That is the situation that faces us and we might just as well realize it right now.

I suggest that by just rubberstamping government proposals we will turn this institution into a legislative sausage machine. I think that is fatally wrong and shows bad organization on the part of this government which thinks nothing out in advance. Where is the government house leader today? He is not here. Did he advise the Prime Minister that this course should be followed? Is he the man who is to head up the committee on

rules and procedure, get people together and say that we must allocate the time for debate because we want to get out in the summer?

Let me tell hon. members what is going to happen if we have an allocation of time in advance of the consideration of legislation. Let me give fair warning to the three independent members, the five members of the Social Credit party and the eight members of the Créditiste party. Their opportunity to be heard in this house will virtually disappear because, unless the Conservative party backs away from its responsibility, the 96 members of that party are going to insist on their proportion of the time during these debates. If two days are allowed for a specific issue we are going to take up 96/264ths of that time because we intend to be heard. How much time will that leave the Social Credit party, the independents or the Créditistes? How many N.D.P. members will be heard?

The allocation of time will result in the restriction of speech. In spite of the small numbers in some of these parties I know of no occasion throughout the years when they have suffered from any restriction of this kind that has not been greater with respect to our party. On many occasions we have not insisted on our full time, permitting those members to be heard as they should be heard in this institution where free speech should prevail. They have views to present which are just as good as any views that may be presented by members of the Liberal or Conservative parties. They are entitled to be heard because they have been sent here in the same way we were sent here, by the votes of the people in their constituencies. They have been selected, rightly or wrongly, to represent their constituents here and their views should be heard as expressed by their members in this chamber. If an allocation of time is imposed, as has been forecast in speeches by the Minister of National Health and Welfare (Mr. MacEachen), the new house leader, and by hints from the Prime Minister, this restriction will be painful to the members of those small parties because they will not be heard in this chamber.

I regret I have no further time to devote to this very interesting subject but I do suggest that we are launching ourselves on a very dangerous course. If we follow it we are going to weaken this institution to the point where it will become almost useless and we will be paving the way for any subversive force to take it over. We must keep alive the flame of freedom here. Let us forget time allocation. Let us sit longer hours on occasion. What is wrong with an all-night session? It does not do anyone any harm. The people of Canada can sleep soundly in their beds while we are here debating and deciding issues which are important to our nation.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, before making a few remarks, may I first of all congratulate the mover and the seconder of the address in reply to the speech from the throne (Messrs. Jamieson and Côté). Both of them, although taking an active part in the debate for the first time, did a very good job in congratulating the government and singing its praises. It reminds me of a son who, after discovering his father's faults, is very careful not to publicize them. It is a good thing for the party but is it a good thing for the people who want to know and who are entitled to know the facts?

I would not want to miss this opportunity to congratulate our ever impartial Speaker who agreed to serve devotedly during another session. I hope he will continue to show as much patience as he has shown in the past and, especially, perseverance, so that he will not follow in the footsteps of some others who succeed one another in various positions, probably becauce they find the work too compromising. We can assure you, Mr. Speaker, of our fullest co-operation in all fair and just matters.

I wish also to congratulate the deputy speakers who have always shown that they know how to hold the fort in the absence of the Speaker.

• (12:20 p.m.)

Mr. Speaker, since the beginning of this session, we listened patiently to several speakers, one after the other, and first of all the right hon. Leader of the Opposition (Mr. Diefenbaker) to whom I listened religiously, because it is always interesting to hear him. He looks so convinced, especially when he speaks of the reforms to be brought about in this house and particularly when he sees certain old dusty practices being discarded to rejuvenate Canada. This always prompts me to laugh, because when the great Leader of the Opposition sees rules with a capital "R" discarded, he nearly has a heart attack, and I am afraid that some day one of these attacks will carry him off. But he is certainly sincere and we, the younger, who would like to have a renewed and great country, consider that the name of "Canada" does not begin with a

"R" but with a "C". That is why we want to see the "C" taking precedence over the "R" in the future.

We heard yesterday other speakers making wonderful speeches which really sounded at times like flights of oratory after the manner of Papineau. This makes for colourful debate, but I have just heard an experienced speaker, the hon. member for Winnipeg South Centre (Mr. Churchill), refer to the allocation of time in the house and he seemed to fear that if we maintain our present procedure, the members of the smaller parties will no longer have time available to express their views.

I must say that, while listening to him, I shared his fears, but when he said that if the Conservative party failed in its duty, eventually it would no longer have time to speak. Mr. Speaker, those very words reassured me, because the Conservative party is always failing in its duty. That is why I am practically convinced that, in the future, we shall have more and more time to make ourselves heard.

I certainly shall not comment, Mr. Speaker, every item of the speech from the throne which, in spite of its length, amounts to very little, namely: studies, study groups, study conferences, planning studies. In fact, for more than five years, we have been hiring students whom we call technicians to make plans, external aid programs for foreign countries to which interest-free credits are offered, while efforts are multiplied to find new loans to increase the debts of the Canadian citizen, all this to the tune of national unity, and we finally realize that the more the federal government emphasizes national unity, the more it acts in a manner causing national disunity.

Retraining is also mentioned. This reminds me of the various names given unemployment in the past. In my area for instance, we have training for carpenters, labourers, bricklayers, etc., without any concern as to whether they can find jobs once they are qualified.

I think we are afflicted with a new type of unemployment, namely the retrained unemployed. I know a minister who is very good at this type of discovery and, Mr. Speaker, in order to avoid extending my remarks over the whole speech from the throne, I wish to limit my remarks to the dairy policy.

Mr. Speaker, the amendment moved by the Conservative party can be paraphrased as follows: This house regrets that Her Majesty's advisers have failed to submit any program to give effective direction with regard to Canada's constitutional development in this centennial year and has failed to provide for the calling of a national constitutional confederation conference.

Mr. Speaker, I was very surprised to hear such an amendment being read, for it seems that when the last session was adjourned in April, I called on opposition parties, and especially on the Conservative party, to move an amendment on the farming problem.

A while ago, I heard the previous speaker say that the government feared an amendment or a nonconfidence vote on the farming problem. I wonder, however, which of the two was most afraid at that point, the Conservative or the Liberal party, because I feel that it behove the Conservative party to introduce an amendment in keeping with the promises made when the previous session was adjourned. Moreover, I believe the leader of the Liberal party was sincere when he promised to start the new session with the agricultural question.

As a result of the amendment of the Conservative party, we completely and intentionally by-pass the agricultural question. But in a while, I shall introduce a subamendment in an attempt, during this debate on the address, to tie in agriculture. But the amendment has been so well thought out, by a great politician, that it is almost impossible to slip in a word on agriculture and to introduce the subamendment all the farmers hoped for.

Mr. Speaker, I am simply saying that the Conservative party was not right, since the agricultural question is a problem, the urgency of which can be compared to no other. In fact, the Conservative party did not want to face the government—or it did not dare—through an amendment that would have permitted to force once again, the government to give the farmers what they expect.

• (12:30 p.m.)

In the speech from the throne, what do we find concerning agriculture? Just like in all fields, and more so than in all fields, more studies, committees, conferences, circumferences, which means that we are going around in circles. That is what we find in the speech from the throne. On page 4, we find the following:

> One of the great challenges of the century will be our capacity to plan our urban development so that Canadians in the future will continue to enjoy the benefits of living in health and harmony with their surroundings. To this end, the government intends to propose to the provinces that a special study of urban development be undertaken—

The study has been going on for a long time.

—undertaken in close consultation with all the authorities concerned—

After the study there is always the report. During the last five years, I have seen a great deal of studies and reports.

—which would be available to the federal, provincial and municipal governments and to the public generally;—

When there are studies and reports, the provinces and municipalities are not forgotten.

—so that all Canadians will be aware of the problems which lie ahead and so that governments at all levels, will have the best possible advice to assist them in their own planning and in their respective contributions to this great problem.

And further down it reads:

The impact of science, industrialization and urbanization and the changing conditions in Canada and abroad also demand that our agricultural goals and policies should be kept under continuous examination. The government, confident that Canada can look forward in its second century to continuing as one of the great agricultural countries of the world—

Not the way things are proceeding.

—proposes to establish a special task force under the Minister of Agriculture. It will be charged with projecting agricultural goals for the future and recommending policies to meet these goals.

Still nothing tangible: studies, programs, reports. And further down:

At the same time, plans that will permit the retraining—

—again the retraining in the field of agriculture.

—will be developed for those who want to leave the agricultural field.

And that is the way farmers are to be helped. I have seen some of the results of this policy in my riding. When a young farmer expresses the wishes of returning to the farm the farm credit inspectors send him to the city instead. That is the way our agriculture is to be developed.

The changing needs of rural communities deserve special attention. During the present session, you will be asked to approve legislation to provide long term loans to agricultural and fishery associations—

I think that so long as we have studies and teams to prepare plans and more plans, supplying us with reports which in the end will recommend lending more money to our farmers and putting them deeper into debt, we shall be barking up the wrong tree.

Today our farmers want to be guaranteed a reasonable price for their products and assured of a market for them.

These are the two main goals which we should try to achieve. Farmers must get a fair price for their products if they want to extend their farms, their property, and increase their production. They do not want to borrow for those things; they would like to do it with their surplus income. It is possible for a farmer to have a surplus income, but his yearly income must exceed $2,500 or $3,000, especially if he has eight or nine children at home.

It is imperative that the government discuss such agricultural matters with a more practical approach, in order to be, at last, in a position to assure farmers that they will get a decent price for their products. In the matter of prices, farmers claimed $5.10 per hundredweight. They were not joking, for $5.10 is a minimum.

In my last speech, I asked the Minister of Agriculture (Mr. Greene) to use the price of fluid milk, which at present ranges from $5.70 and $5.80, as a basis. That is quite different from the $4.75 maximum price. I say maximum because it is said that the government guarantees $4.75. Now, that is not true. The federal government only guarantees $1.11. So let us stop lying to the people. The government has nothing to do with the price paid to producers by processors. As a matter of fact, processors, and we have ample evidence of this today, pay producers the price they choose, or rather, that which they can afford. And I have precisely the proof here. I maintain that it is untrue to say that the price of $4.75 is guaranteed to farmers. Let us stop lying to farmers and frankly admit what we are giving to them. It is just like saying that farmers are helped with loans. But do you believe that the government is lending to farmers? Capitalists are lending to farmers and the government is merely allowing capitalists to get farmers into debt; the government does not give anything.

In this case, an amount of $1.11 per hundredweight has finally been granted to farmers, but it is alleged to be $4.75. This is not true. It amounts to $1.11 provided that the processor pays to the producer $3.70 or $3.80. If he pays $3.80, $1.11 is quite satisfactory. I think that may be the price paid in some districts. But in my particular area, Mr. Speaker, and this is what I want to call to your attention—we have the Mistassini dairy.

Now, the Trappist monks, owners of the Mistassini dairy, write:

A new dairy year has started on April 1 and 2 since that date, you have been waiting for our prices.

I will not read the entire letter sent to all producers but I will give you the prices and I quote:

We shall then pay $3.10 for second class milk and $3.20 for first class milk.

Now, if you deduct 11 cents from this you will see what remains: $1.11. It is easy to count. This is the report of the Mistassini dairy.

• (12:40 p.m.)

According to the latest statements of March 31, and April 15, milk, testing 3.6 per cent butterfat was paid $3.07 plus $1.11 as a total of $4.18. Which is far removed from $4.75. These are the statements.

Mr. Auguste Choquette (Lotbinière): That is a national average when they talk of $4.00.

Mr. Gauthier: That is right but I am talking about my region. I think there is a problem. I do not mean that this extends to the whole country, but I want to consider the problem in my area. And I want to be sincere.

An even more serious problem which I have already mentioned, Mr. Speaker, is that resulting from the outbreaks of contagious diseases in my region during the past three years. Some breeders lost half their herds. It is absolutely essential that the farmers rebuild their herds. And, in fact, some of them have done so and their herds are back to normal today. They made sacrifices, they bought other livestock, and now they are faced with the threat of quotas. Imagine how disastrous that is for our region. The farmer who used to produce 200,000 pounds, and who only produced 100,000 pounds last year because of the outbreaks of disease, must produce 200,000 pounds today in order to make a living. But, because of the 100,000 pounds quota, instead of $1.11, he will only get 55 cents per hundredweight. That is a very serious problem and one which I want to draw to the attention of the Minister of Agriculture (Mr. Greene), for this situation prevails not only in my parish, but in the four counties of the Saguenay-Lake St. John region.

That is why we can read in *La Terre de chez nous*:

Federation of the Catholic Farmers Union of Sherbrooke.

1,000 farmers are studying the new dairy policy.

[Mr. Gauthier.]

And they precisely raise the matter of quotas which are a disaster in our area. I do not know whether areas, having a normal production are affected, but in our area, it is really a disaster.

Moreover, we have to consider the 25 cents subsidy given formerly by the provincial government and which will no longer be given because it will be deducted from the federal subsidy; that is greatly prejudicial to the farmer and reduces the assistance he used to get.

That is why I say, Mr. Speaker, that we can prove that our farmers get this year, under the present conditions, less than last year, because of the conditions imposed, because of quotas, and because of the loss of the 25-cent subsidy and the 11-cent premimum for transportation, on the whole previous amount. If only the 11-cent premium for transportation was limited to the quotas, but no, it is applicable to the total amount to the whole production.

This is extremely dangerous, Mr. Speaker, and is prejudicial to our farmers at present. We shall have the opportunity to meet the farmers shortly and they will readily tell us that the purpose of their march on Ottawa is not to congratulate the government, as some Liberal members suggested, yesterday, but rather to protest against that dairy policy. The following item appeared on May 3, 1967, in *La Terre de chez nous*:

Mass protest of Quebec and Ontario farmers—March on Ottawa on May 24.

Their protest is fully justified. They are right because that policy does not suit them at all. There is an absolute need for a round table discussion so that the facts may be fully looked into, and I know that some members are responsible and anxious to look into them.

I admit that, in certain areas, things are not too bad. But in our area, conditions are unbearable. The farmer is unable to improve his lot and that is why we have so many farmers giving up their land.

Mr. Speaker, I see that the time allotted to me is running out, and I should like to connect with the amendment of the Conservative party a subamendment which will be accepted, I hope, by the Chair, so that we may at last take a serious vote on this agricultural question.

Therefore I move, seconded by the hon. member for Lac-Saint-Jean (Mr. Simard):

That all the words after the words "Centennial year" be struck out and the following be added thereto:

"and have neglected taking the proper measures for the invitation of the Canadian provinces to fully respect the aims of the British North America Acts which clearly define the proper prerogatives belonging to all the legislatures of Canada and its provinces. And further, that they neglected, in this centennial year, to give the essential directives regarding Canada's constitutional development to ensure that the agricultural class receives all the attention necessary to maintain the constant economic growth in our country in such a manner as generous and patriotic as desired by the fathers of confederation.

Mr. Speaker, I have copies of the amendment in French and English. I do not want to teach someone a lesson, but I hope this subamendment will meet with your approval. I am sure every member will agree that this subamendment is called for and that it is imperative to draw the attention of the house to this situation and even to bring about an emergency debate on the farm problem across Canada.

[*English*]

Mr. Deputy Speaker: If there are some members of the house who would like to comment on whether or not this subamendment is in order I would be pleased to hear them now.

Mr. Côté (Longueuil): Mr. Speaker, I think we will leave it in your hands to decide whether or not the amendment is proper. I believe the rules have been strained quite a bit in order to bring about this amendment but we will leave the matter in your hands.

Mr. Knowles: Mr. Speaker, all I can say is that its ingenuity overwhelms me.

Mr. Deputy Speaker: The question before the house, of course, is the amendment moved by the right hon. Leader of the Opposition. This amendment to the main motion deals with constitutional matters. The subamendment moved by the hon. member for Roberval deals essentially with constitutional matters. I recognize the ingenuity with which he has introduced another subject but in my view the other subject he has introduced is not the main part of the subamendment. In the opinion of the Chair, therefore, the subamendment is in order.

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, in the short time available to me before we adjourn for lunch I should like to offer my congratulations to the mover and seconder of the address in reply to the speech from the throne. I was very taken with the maiden speech of the hon. member for Burin-Burgeo (Mr. Jamieson). It was a credit not only to himself but to the constituency he represents.

I intend to confine my remarks in this debate to the belated recognition by the federal government of the role it can play in urban matters. I was very happy to read the statements made by the government in the speech from the throne as well as the remarks made by the Prime Minister (Mr. Pearson) on May 10 with respect to providing a better urban environment for the citizens of this country. There was reference to the provision of open spaces and the calling of a federal-provincial inquiry. I intend to limit my remarks to what I believe are the urgent problems of the cities and some steps toward a solution of them.

In recent years Canadians have become aware of something fundamentally wrong with our urban areas. H. G. Wells saw the signs at the turn of the century when he said:

You will find that many people who once slept and worked and reared their children and worshipped and bought all in one area are now, as it were, delocalized; they have overflowed their containing locality and they live in one area, they work in another, and they go to shop in a third. And the only way in which you can localize them again is to expand your areas to their new scale.

Since world war II our prosperity, the increased birth rate, increased immigration and advancing technology have greatly accelerated the process of urban growth in this country. Urban expansion has resulted in a sprawling metropolitan region made possible by the private car, the extension of power and telephone connections, all-weather roads and the lowly septic tank. The symptoms of discomfort of this urban growth are known to all of us: the traffic congestion in the central parts of our cities caused by increased dependence on the private automobile for movement, the rapid decline in systems of mass transit, the shortage of downtown parking space, the strain on the water supply, the great expense of providing means of sewage disposal, the spectacle of an affluent society permitting suburban development without adequate parks or recreational space, the enormous increase in school costs; the deterioration of large industrial, commercial and residential areas in the central areas of cities and the decline of central business districts.

• (12:50 p.m.)

These are but a few of the irritations and problems of our metropolitan areas. The forces which have created the metropolitan explosion will not abate in the near future. We face a crisis of political and social reorganization. For Canada today is now an urban nation. In 1961, 70 per cent of the population

resided in urban areas. It is estimated that by 1975 some 80 to 85 per cent will reside in or around urban metropolitan areas. The movement from rural to urban areas continues at a rapid pace.

Canada has become one of the most highly urbanized countries in the world today. Thus the lives of the vast majority of Canadians are greatly affected by the condition of our cities, the quality of the homes in which they live, the ease of transportation, the opportunity for education, access to recreation, and so forth.

A United Nations report in 1965 stated that next to war the problem of all urban areas was the most consequential question facing the governments of the world. Yet, Mr. Speaker, for all their importance, and considering the many problems that they face and will face in the future, our cities have been somewhat neglected by the federal and provincial governments.

The federal government cannot afford any longer to ignore our urban and metropolitan areas, and this is recognized in the speech from the throne. More than 40 per cent of our population now lives and works in our 18 largest city areas in this country with populations over 100,000. The metropolitan environment today has assumed a large and growing significance in Canadian social and economic life. Thus, Mr. Speaker, remedies on a national level are necessary if the problems of our cities and our metropolitan areas are to be solved within a reasonable time. I suggest that the federal government must come to play an increasingly significant role in urban affairs to fill a governmental and financial vacuum.

It is the city and our metropolitan areas with which we will have to deal in the last 30 years of this century. Lewis Mumford, that great student and interpreter of city affairs, has said:

> We must restore to the city the maternal, life-nurturing functions, the autonomous activities, the symbiotic associations that have long been neglected or suppressed. For the city should be an organ of love; and the economy of cities is the cure and culture of men.

The problems of metropolitan regions today are national in scope; yet no one is responsible for making sure that all the federal programs which impinge on our metropolitan and urban regions make part of a coherent whole. Nor is anyone responsible for making sure that all the provincial programs fit into a general scheme. Within the metropolitan region itself no authority exists which has the power to harmonize local plans by the local governments in that metropolitan region.

It is time we raised the basic question of how we in this country can get an institutional framework which will make it possible to treat the metropolitan region as a coherent whole, as we must. This means that we must have new groupings of governmental authority. No longer can we tolerate independent power sources, each with the capacity to thwart the rational development of the whole. Conflicting opinions about the future of the metropolitan area are desirable but conflict without a referee, I suggest, is like a street brawl in which everyone loses. We must invent machinery of government with sufficient power to resolve these inevitable conflicts.

What are some of the problems of the city and our metropolitan areas, Mr. Speaker? I would list them as follows: First of all, there is the movement of people from rural to urban areas and, second, from the centre of cities to the suburbs. Urban population growth has severely strained the existing physical forms and structures of our cities. Provision of basic housekeeping services, light, water, sewage, police and fire protection, are major burdens on the financial capacity of municipal governments which have had to rely for their revenue on the archaic real property tax to deal with today's complex and expensive problems. Also the existence of poverty is a very real consideration in every Canadian city. It retards growth of our cities and drains scarce resources from use in improving facilities and services.

Large scale movement of people into the central cores from rural areas and through immigration has thus introduced serious problems for our local governments in just maintaining satisfactory standards of simple, everyday services and has expanded the problem of dealing with the many disadvantaged Canadians who still just exist in the midst of today's affluence. However, Mr. Speaker, the increase in population in urban Canada has not been followed by a similar increase of urban political control, especially in provincial legislatures across the country. There is across Canada gross underrepresentation of the urban areas. This is the reason, I suggest, that provincial legislatures have been largely insensitive to urban problems and incapable of providing leadership and direction. Even within cities themselves the ability of local government machinery to provide real leadership is sadly lacking. Our system of local government is the classic case of horse and buggy methods in a space age.

One of the distinctive characteristics of Canadian cities and our metropolitan areas—and it is a sad one—is their extensive, spatial dimensions. They spread all over the countryside. It has been said that the automobile has been the magic carpet to whisk us out to the universal dream world of green grass and open spaces. Central Mortgage and Housing Corporation has been the magic genie that supplies the wherewithal for every man's castle. The result has been a vast explosion of building and people in the suburbs of our cities, closely followed by a similar movement of retail, commercial and industrial outlets who must go where the people are. May I call it one o'clock, Mr. Speaker.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Macaluso: Mr. Speaker, at one o'clock I was discussing the vast explosion of buildings and people in our suburbs and the resulting serious problems in our cities and metropolitan areas. The exodus to the urban fringes has seriously affected the central core of our cities and has resulted in lost business, a decline in the economic base and in difficulties in maintaining adequate standards for those who are left behind, the poor, the aged, the disabled and those not able to afford housing in the urban fringes. We must face the difficulties and complexities created by downtown deterioration and blight which depress whole communities and endanger their economic prospects.

Second, I wish to deal with housing. The supply of adequate housing for everyone ought to be our objective and we ought to achieve it in this year of planning. The construction boom of the fifties and sixties has left untouched the need for low cost modern housing. We will not solve anything by building so-called low cost houses on high cost land. Through planning our urban growth in advance we ought to be able to build low cost houses on low cost land, thus easing the lot of the middle income earner and the poor. Nevertheless there is a difference between supplying the housing needs of an area and creating decent areas in which our citizens can live. To our housing projects we must add commercial, industrial, business and service establishments, and we must add them on a scale which will fill the needs of those living in the area. There must be adequate access to a full range of housing. Also, there must be adequate access to a full range of work.

Our attempts at urban renewal, rehabilitation and conservation are not enough. It is not good enough to build office buildings and luxury apartments and leave the family needing a decent, low-cost house in the lurch. Too often, in erecting low-cost housing projects, we attach the stigma: "These are houses for the poor." That cannot be tolerated, Mr. Speaker. We have not yet begun to face the crisis of the city's centre and the housing shortage that exists therein. No level of government has launched a full scale attack on this problem.

The third subject I wish to deal with, also involving the centre of our cities, is urban transportation. In a world that is becoming increasingly urbanized the most critical of all problems involves urban transportation. Henry Ford once said, "we shall solve the city problem by leaving the city," and he provided the means for that. The automobile, however, is capable of coming back to the city. There is growing evidence that traffic congestion strangles the growth of many of this continent's great cities because total transportation needs have been neglected.

The automobile which moves in metropolitan areas is no respecter of boundaries. It passes indiscriminately through county, township, suburb and the central part of the city, and each of these areas has its own type of government. The attempt to reconcile the frequently opposed interests of all these levels of local government, while attempting to pay due regard to private interests, complicates the solution of urban transportation problems. Communication is the life blood of the city. Transportation is the key to whether the city will continue to serve as a unifying core for its surrounding metropolitan regions or whether it will be utterly fragmented. The basic dilemma is that the building of more and more transportation facilities to keep the central core accessible may carve so much space out of the heart of the city that little worth while will remain.

• (2:40 p.m.)

The birth rate of the automobile is far in excess of that of mankind itself and threatens to push the human population on this continent into a tight corner. Victor Gruen, the noted architect and planner, had this to say about the automobile:

The space required from birth (manufacturing plant) to the death (automobile cemetery) and the intervening needs for moving, storing, housing,

repairing, beauty care, mechanical health of the automobile are such that the total expenditures made for these purposes are higher than the analogous ones for human beings.

Thus, Mr. Speaker, in spite of having been invented and constructed as a means of mobility the automobile has robbed us of that very mobility in our city centres and surrounding metropolitan areas by congesting streets and highways. Of course, many of the costs of congestion cannot be calculated. How does one estimate the cost of strained nerves, frayed tempers and depression in experiencing or even contemplating the traffic ordeal?

We have approached this problem in our cities in two ways, first by fleeing to the suburbs and thus bringing about the scatterization of our cities and, second, by surrendering to the automobile by expanding and broadening our streets, by demolishing human habitation, destroying our parks, bisecting established communities, and by giving over more and more human living space in the form of car storage areas, parking lots and garages, service stations and repair shops, to the automobile. However, Mr. Speaker, both of these actions have not pacified the insatiable appetite of the automobile. That appetite has nearly succeeded in destroying the desirable qualities of cities and has converted many of our city cores into economic graveyards and our suburban areas into monotonous cultural deserts. Cars, Mr. Speaker, do not pay property taxes but buildings do, and where automobiles have taken over our city streets revenues have been lost to our local governments.

The automobile as a means of urban transport is probably going to stay with us and even grow in importance, at least for the foreseeable future. Thus we will have to devise ways and means of living in the automobile age but still remain masters of our environment. The solution, I suggest, is not complete dependence on the private automobile but upon a co-ordinated system of transport where both the private automobile and public mass transportation can assume their proper roles. We will have to reorganize our urban pattern and our entire approach to land usage in our cities and metropolitan areas.

Transportation facilities have always had a dominant effect on urban land use and therefore on the shape and character of cities. There is a close relationship between transportation, land use and urban development.

Urban development in Canada is still largely determined by the undirected forces of

[Mr. Macaluso.]

necessity and expediency. What is needed to come to grips with the problem of urban transportation, just as it is with the problem of urban housing and development, is the use of urban planning. At present we do not really plan our cities. Urban planning has been given lip service in most Canadian cities. I speak as a former alderman in the city of Hamilton, and I know that every city hall across the country has filing cabinets and shelves full of expensive plans gathering dust. When I speak of planning I speak of the need to establish basic objectives for the growth and development of the city, objectives based on expected needs in housing, business, industry, education, transportation and culture, and these arrived at by discussion and participation at all levels of government and with the citizens themselves.

Many have come to learn the lesson that if you pick up one urban problem and start to unravel it you discover pretty soon that the urban environment is all of one piece and you have the whole business left in your hands. They have come to learn that a comprehensive approach is necessary. Comprehensive planning at all levels of government—I notice this was one of the matters discussed by the Prime Minister in his speech in the house on May 10—means that neither growth in the metropolitan fringes nor decay in the older areas of the central city can be sorted out conveniently and considered alone. They are interdependent and it is now generally agreed that urban area planning must be comprehensive and must include planning of transportation facilities. Transportation planning must embrace the complete transportation system of an area; otherwise it makes no sense.

I turn now to the other problem of the urban areas, that of municipal taxation. The cores of our metropolitan areas are the victims of the financial squeeze that develops as population moves out to the suburbs. Decentralization of population takes with it a large chunk of the city's support by way of real property taxes, and at the root of the urban financial difficulty is the narrowness and rigidity of the base upon which the tax burden rests. Thus we must find ways to eliminate the financial problem which threatens municipalities and leads them to place obstacles in the path of urban development undertakings.

What is needed is an overhaul of the system of taxation for urban areas, and it is needed urgently. Far greater assistance is

needed from senior levels of government, especially in the areas of housing, transportation, parks, recreation and open spaces. There is no doubt that the problems of the city and of the people within it cannot be met without a much larger commitment of funds by the senior levels of government. With the major bite from municipal revenues taken for education costs and with the demand for services in new and old areas of the city, local governments usually have little, if anything, left over to build and create decent communities for their citizens. One way of doing this, and I support this proposition, is the deducting from income tax of residential real property taxes which our citizens pay to their municipalities.

Another problem is that the outward expansion of the urban areas has created its own particular form of political headache. As the urban metropolitan area grows it absorbs many smaller towns and municipalities, all governed by their own leaders who are more often than not parochial in attitude. Thus the means of governing this complete fabric is divided into many jurisdictions which, more often than not, compete rather than co-operate on mutual problems.

This competition retards the over-all development and implementation of any over-all plan or design for the metropolitan area because of the jealousies and the conflicting standards of land use, zoning, etc. Thus, Mr. Speaker, the progress, growth and development of our cities often depend on the task of getting from five to 20 different municipalities, with different political jurisdictions, harnessed and pulling together. We must devise ways and means of improving our political structure and putting metropolitan areas under one political jurisdiction.

Thus, Mr. Speaker, to meet the multitude of urban problems requires the full scale attack of all levels of government. Our approach to urban problems can be a shining example of creative federalism in action, with each area of government working and acting in a way which best complements the activity of the other, a nation-wide approach in which all three levels of government would jointly share in the establishment of policy and planning programs. Thus there must be an integrated, co-operative attack involving all levels and resources of government.

What is the basic problem of urbanization in Canada in this our centennial year? As I see it, it is nothing less than the building of a new Canada. It involves a complete recasting of the urban environment in which most Canadians will live. By the year 2000 something like five million people will live in a metropolitan area connecting Oshawa, Toronto, Kitchener, Hamilton, and the Niagara peninsula to Fort Erie. By the year 2000 Vancouver, Edmonton, Calgary, Winnipeg, Ottawa, Montreal, St. John's and Halifax will account for most of our population and they will all, I emphasize, be on the metropolitan scale.

Thus it will be readily seen that if we want decent living conditions we must plan the form which these areas are to take in terms of their physical growth. Cities are the outward expression of the values and the attitudes of a civilization. Strong metropolitan planning at all levels of government is essential for the new Canada. Mr. Speaker, what better challenge is there to Canadians in our centennial year than the challenge to plan and build new towns in and around our largest cities? New towns planned in advance of need will provide us with the opportunity to solve the urban problems as stated earlier of supplying adequate housing for everyone. With new towns of adequate size we could plan ahead for school sites and parkland and preserve each new town against decay by surrounding it with useful and functional green belts.

• (2:50 p.m.)

Some of the remarks which I have made previously in this house I should like to put forward again now. These are a few suggested solutions: First of all, I believe the first priority should be the creation on a major cabinet level of a department to handle housing and urban affairs. I believe this should be the spearhead in attacking the problems of cities. It would combine all aspects of urban involvement undertaken by the federal government, for example, by Central Mortgage and Housing Corporation, by urban transportation authorities, by municipal governments and so on.

This department would co-ordinate the various urban programs throughout the country and establish comprehensive objectives and priorities. It would sponsor research and experimental and demonstration projects in order to find solutions to urban problems. It would take the lead in arranging and formulating an effective working relationship at all levels of government in dealing with urban matters. Further, it would develop and recommend policies for fostering the orderly growth and development of our urban areas.

It would provide technical assistance and information which would include a clearing house service to aid provincial and municipal governments in developing solutions to community and metropolitan development problems. It would conduct continuing comprehensive studies and make available findings with respect to problems of housing and urban development.

Certainly in the field of research and trained personnel increased research is essential to identify and better understand the forces causing the problems of central city deterioration and suburban sprawl and to provide a basis for program improvements which will bring about workable solutions. The federal government should establish a fund for urban studies so that grants could be made to the various universities for the creation of institutes and special programs devoted to research and teaching of urban affairs.

The problems of urban areas are of increasing scope and complexity. Our universities must be major participants in this respect and must establish centres where there will be accumulated the best data and analyses available. They must also be actively engaged in the training of men and women in urban culture and its problems.

Third, as I said in a speech on April 20 this year dealing with urban transportation, there should be a federal-provincial conference on urban affairs to set up task forces to study the various aspects of urban problems. Those taking part in these task forces should include federal, provincial and municipal government experts, various non-governmental experts and members of the general public. They should be commissioned to search out immediate and long-range needs and to suggest solutions. I was pleased to see in the speech made by the Prime Minister that this is being considered by the government.

With regard to urban transportation there is an immediate need for the establishment of a transportation policy for both intercity and intracity communication. I certainly hope, with the new commission set up under the national transportation legislation, that the research branch might be able to undertake this. Provision of mass transit in cities goes completely unaided by government despite the fact that it often is penalized through taxation while other modes have all kinds of subsidies. Thus, a program of mass transit assistance by the federal government is important. The federal government should undertake establishment of a research centre in urban mass transit and undertake a demonstration project to test out alternatives.

There is a national interest involved in the sound economic development and redevelopment of Canada's urban areas. Our Canadian cities are afflicted by a wide variety of serious problems growing out of a tidal wave of urbanization, industrialization and metropolitan population redistribution. Unfortunately they have been unable by themselves to find adequate solutions to these problems because of financial and jurisdictional limitations.

The responsibilities of the federal government lie in promoting balanced economic growth in Canada. The cities have become the sources of the fastest growth in the Canadian economy. Thus, federal spending on urban matters can be used as an instrument of national policy and federal expression of commitment to material growth, for it is in the urban areas of Canada that the main potentialities of economic growth lie.

The people of Canada have a right to expect the parliament of Canada to do what it was ordered to do, that is, to promote the general welfare of Canadians as a whole. But we are not going to accomplish any of this or do what we want to do unless we work together. Benjamin Franklin said, "You either have to hang together or you are going to hang separately". We either do things together or we do not do them at all. There is not a single problem confronting this nation today of any size which does not require the combined resources of public and private endeavours of the Canadian community—not one. The problems of water pollution cannot be solved by government. The problems of slum clearance cannot be solved by government. The problems of jobs and job opportunities cannot be solved by government. We cannot name one single problem that we can solve in Ottawa, in the provincial capitals, or in the city halls. We cannot solve the problems alone.

The Deputy Speaker: Order.

Mr. Macaluso: Mr. Speaker, I have just one more sentence if I may be permitted to continue.

The Deputy Speaker: Has the hon. member the permission of the house to continue?

Some hon. Members: Agreed.

Mr. Macaluso: Mr. Speaker, we will be judged as a people by how well we handle the next phase of urban development. I believe

that we as Canadians will respond to that challenge.

Mr. Robert McCleave (Halifax): Mr. Speaker, it is nice to take part in the throne speech debate because it is a good way to break the ice at the start of each parliamentary session.

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. member would permit a question. He spoke about breaking the ice. Is this to be an historic declaration in favour of ice breaking?

Mr. McCleave: I shall have some answers for the Minister of Transport (Mr. Pickersgill) later. I thought the metaphor I used was perhaps appropriate considering the late spring but I had not considered how quickly the hon. gentleman can spring from his seat to interrupt the start of another member's speech.

It is a pleasure, Mr. Speaker, to see you in your place. I might borrow the words of a poet, it is so nice to have you back where you belong.

Some hon. Members: Hear, hear.

Mr. McCleave: I would hope that someone would pass along our regret that the deputy chairman of committees of the whole, as reported in the Montreal *Gazette,* had to reenter hospital in Montreal this morning for an operation. We will miss him and we hope for his speedy return this time with complete recovery.

Some hon. Members: Hear, hear.

Mr. McCleave: While I have used poetic words in respect of our officers I do not use them in respect of the throne speech. It could have been a stirring call to Canadianism. Instead I compare it to a menu with many items which have appeared so constantly in the past, such as the Canada Development Corporation, that they now have become a sort of Liberal helping of hash.

I should like to compliment the hon. member for Burin-Burgeo (Mr. Jamieson) and the hon. member for Nicolet-Yamaska (Mr. Côté) for their very interesting and well delivered speeches in initiating this debate. I believe they were most effective when they brought before us their own particular fields of knowledge. If I differ in any way with the hon. member for Burin-Burgeo it would be in respect of his remarks on youth and its disillusionment with things political today. I suggest that perhaps one reason for the disillusionment is the gentlemen with whom the hon. member for Burin-Burgeo now finds himself associated. Solemn promises were made in regard to some $10 million for university scholarships but these promises have not been kept. Surely that would disillusion anyone. I have also heard the cry that there are not sufficient facilities available at universities or colleges to look after those students who would be the recipients of the $10 million in scholarships. That is a feeble excuse for not educating our young men and women. Many of them will not receive the necessary education simply because there are not sufficient facilities.

• (3:00 p.m.)

Many members on all sides of the house, including the hon. member for Burin-Burgeo (Mr. Jamieson), have areas of poverty in their constituencies. I have such areas in my constituency and I know that the only way the vicious cycle of poverty which has encompassed some families for several generations can be overcome is by providing higher education to the young boys and girls. Of all the sins of omission that this government has committed this is the most conspicuous. No wonder the youth of this country are disillusioned with this government.

The throne speech made no reference to the problems confronting maritime transportation. We dealt with that aspect of national transportation at some length last year. Yesterday I directed the following question to the Minister of Transport:

> —would the Minister of Transport assure that legislation relating to maritime transportation will be dealt with in this centennial session?

His answer was:

> I could not possibly give such an assurance, Mr. Speaker. It would be very presumptuous on my part to say what this house would deal with.

We all realize that the government initiates and proposes legislation which this house eventually disposes of, and I was surprised to hear the hon. gentleman make that kind of remark. I hope he will now pop up in his seat as he did at the beginning of my speech to indicate that such legislation will indeed be brought before the house during this session. Surely that was an assurance we were given last year.

We do know that the special study on maritime transportation had some reference to the Minister of Transport's empire because Mr. Victor Gruen of the Halifax *Chronicle-Herald* referred to some very interesting points uncovered by that study. I hope the

minister will not engage in some of his puzzling magic but rather come to grips with these problems and place a solution before us. I will have more to say about this subject later.

Also conspicuous by its absence from the throne speech was the so-called war on poverty. Apparently the knights in their shining armour have crawled back into their Cadillacs and left this field.

I should like to compliment the last speaker on a truly excellent speech. Let me second the ideas presented by the hon. member for Hamilton West (Mr. Macaluso) on urban development. There is some reference to this subject in the throne speech. I feel that if some imagination and common sense can be found by members on the government side, of which there is some doubt, something could be done in this field. The hon. member referred to Victor Gruen's work, with which I am familiar. He is a man who seems to have the idea that we can save our large cities from stagnation and decay, and I hope that everyone will read what the last speaker said in this regard.

I do not intend to repeat what the last speaker said about Mr. Gruen's work but I should like to refer to one statement Mr. Gruen has said that for every car that moves into the heart of our large cities in North America one individual is driven out. That is paradoxical because one would think that every car moving in would bring in the number of people that can be carried by that vehicle. Nevertheless Mr. Gruen has proven his statement to be accurate, particularly in the older downtown areas. I hope that government will show some imagination in tackling problems relating to urban development.

In recent days I have travelled from coast to coast and have discovered an interesting fact. In this jet age one can have three breakfasts while travelling across Canada before having lunch. I left Halifax at five o'clock on Monday morning and arrived in Victoria, B.C. by one o'clock. I had breakfast before I left home, breakfast on the jet to Toronto and breakfast on the jet between Toronto and Edmonton. The unnerving part of the whole trip was the cloud cover over the whole area which prevented me from looking down to see precisely where I was at any moment. I really did not feel I was getting any closer to Victoria. Fortunately the stewardess eventually came with a lunch tray so I knew I was making some progress against the hours of the day. During my trip I discovered that the question most often asked across Canada was: Have you been to Expo or are you going to Expo?

I think Expo will undoubtedly be a gem in the crown of our centennial year and something of which Canadians may be very proud. Perhaps I say too much about Expo, but if I do I do so because of a man who was a member of this house at one time but became a victim of the foolish perversity with which we treat each other very often. I refer to a former associate minister of national defence. As I recall, he was the one who brought the first legislative measure dealing with Expo before this house. He had a pretty miserable time here, and his wife, daughter and two sons must have gone through hell last year. They can now travel through Montreal looking at what this gentleman at least in part accomplished.

I think the mood of parliament has changed from that of last year. Some reporters have suggested that we have since then redeemed ourselves, and I believe they are probably correct. We are now living in an era which requires a streamlining of our procedures. Let me put forward my own thoughts in this regard. We should use time allocation as an experiment when we are not dealing with issues which drive us apart as parliamentarians. We should only use this method of streamlining our procedure after the five parties in this house have learned to work together in a more disciplined manner. Perhaps initially we should experiment with allocation of time after the committees of this house have had a good hard look at legislative proposals. I presume that even after the broadcasting committee has dealt thoroughly with the proposed amendments to the Broadcasting Act we in this house will still have a great deal to say about them. Divorce has been considered carefully and is a subject about which there are a great many opinions. Perhaps in this case, as in others, time allocation can be applied without any injury to the legislation itself or to the rights of members to express their opinions in this house.

• (3:10 p.m.)

On the other hand, the training bill which we dealt with a few days ago did not go to a committee in the first place and the Minister of Manpower and Immigration (Mr. Marchand) came forward with about a dozen amendments to a bill of some 24 clauses. Obviously this sort of bill could not be dealt with under an allocation of time formula. With allocation of time we might wind up

with three quarters of the bill passed but with some six or seven amendments that should be made still outstanding. I suggest that if we utilize time allocation we should do so in non-contentious areas first so we can see how it works and without everybody getting into a real dander and froth. This is a sort of discipline that we somehow have to impose upon ourselves, especially in an age of proliferation of parties.

I mentioned the divorce bill. I suggest to the house leader that he try to secure agreement from all parties in respect of this bill. I think this would be possible. In this connection I believe the joint committee with the other place should be reactivated as quickly as possible. We are working against a fairly tough schedule. We have a lot of tough ideas to deal with. I should not say tough ideas, but we have at least five major areas with which we have to deal in this connection, and I think the sooner we get at it the better it will be from the point of view of helping all those people who need help. In this country there are some 60,000 deserted people who have been crying out for relief and have not been able to find any under our present archaic system.

I make only one other comment in respect of this field which has been a specialty of mine for nine years. The legislation we bring in will be a monument to our oldest parliamentarian, Hon. A. W. Roebuck who, at 89 years of age, is in the other place one of the top performers on parliament hill. I do not propose to say what he will suggest to the committee and parliament except that if accepted it will bring us from the dark ages to the best divorce law in the civilized world.

I spoke about wasted human resources and the 60,000 deserted people in Canada. In a way they are wasted or at least crippled human resources. Most of them are unable to set up new liaisons and bring forth new families but are damaged cogs in the wheel of an archaic system.

Dealing with the unused human resources in Canada, I hope we can place a different emphasis on our thinking with regard to the war on poverty. I hope we can do what the hon. member for Qu'Appelle (Mr. Hamilton) has sugggested in the past and call a national conference on human resources, on what can be done to help the retarded, the crippled, the people who suffer disabilities, so they can play their part in the development of a greater Canada. But, Mr. Speaker, I would not approach that problem with a particular emphasis on welfare. I would treat it as a somewhat larger problem, perhaps from the standpoint of an economic one, so that everybody no matter what his abilities can at least give the best of himself or herself to this Canada of ours.

I should now like to deal with local problems. Yesterday the hon. member for Queens-Lunenburg (Mr. Crouse) mentioned the idea of lobster trap depots at different places along the coast of Nova Scotia. The common sense of this idea lies in the fact that the lobster seasons are different and therefore the equipment can be transferred from one place to another without seriously dislocating the operation of any lobster fisherman. This idea was first conceived by my colleague from Halifax, the other hon. member from my city. It was because he could not be here that he suggested the idea to our friend from Queens-Lunenburg who is an expert in the fishing industry. The hon. member for Queens-Lunenburg certainly presented the idea very well yesterday. I do not labour it except to say that we have talked with lobster fishermen and they seem to think it is a good idea. Therefore I commend it to the Minister of Fisheries (Mr. Robichaud).

Now I come to my beloved friend, the jumper-up from Bonavista-Twillingate, and transportation problems of Atlantic Canada. We have gone through a winter that from the standpoint of employment in two of the great ports of Canada had to be seen and still could only be disbelieved. The potential of those ports in the handling of general and special cargoes was not utilized to the extent to which it has been in recent years. I hope the Minister of Transport will be able to get the study being made out from behind closed doors and take some action before another winter season sets in, because the stevedores and longshoremen of Halifax and Saint John will simply not put up with what they have had to put up with this year.

The economics are now so out of joint that a ship with a cargo destined for Montreal waited in Halifax harbour for three or four days. We have a general idea of the expense involved in a ship waiting in harbour for several days for ice to clear so that it may go to Montreal and unload its cargo. Yet we have the Maritime Freight Rates Act and a good rail system between Halifax and Montreal. One would have thought that the railway in co-operation with the shipping authorities would have got that cargo to Montreal a few days earlier. But this was not to

be. This was one of the most shattering experiences in what was a most miserable year for one of our great ports and one of the great national assets of this country.

A few days ago the minister provided information on the experiments with hovercraft in this country. I think the department should be encouraged to proceed with more haste and perhaps even more zip in testing hovercraft. They are not only useful in southern Canada but they might be the one great way of solving transportation problems in the north. A hovercraft can best be described as a sort of automobile that can be used on water, snow, tundra or anything that has a reasonably level surface to be used as its highway. It is as manoeuvrable as an automobile. If big ships are setting a course toward each other and are even miles apart they can still collide because of their inertia and the difficulty of manoeuvring. But a hovercraft is as manoeuvrable as your automobile, sir, and mine. It can stop very quickly within its own length. It can carry out very fast manoeuvres and changes in direction on water. I suggest it is not only the answer to transportation problems such as exist between Saint John and Digby, Nova Scotia, in the Minas Basin, and even the shorter runs such as in Halifax harbour but might be used on the Northumberland strait or some of the wide rivers of Canada and in the northland. I hope the minister will eagerly seize the chance to test hovercraft without delay in Canada's north.

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. gentleman would permit me to respond by saying that I made arrangements yesterday to visit the hovercraft factory in the Isle of Wight and test hovercraft on June 2.

Mr. McCleave: Mr. Speaker, the minister has done me a very great favour because I can throw that part of my speech away, which I accordingly do. I am grateful to the minister because I am running out of time. You cast your bread forth upon the waters and sometimes it comes back ill "bread" and at other times it comes back well "bread".

Mr. Pickersgill: In a hovercraft.

• (3:20 p.m.)

Mr. McCleave: I have such a wealth of material to deal with that I am in some difficulty in choosing what to use as I believe I have only five more minutes left.

First of all I would like to deal with the problem of the restoration of the Sambro lightship to its position outside Halifax harbour. The minister and his department have made the point that the most efficient aids to navigation in the world are outside that harbour at the present time. This is quite true and I do not quarrel with that at all. There are lights on Sambro island, Chebucto Head, Devils island and Maugher beach. The new fog signal on Sambro island, together with the fog signal at Chebucto Head and Maugher beach and the whistle and bell buoys, provide adequate sound signals for navigation during periods of low visibility. A new powerful radio beacon is in operation on Sambro Island and a radio marker beacon is situated on Hartlen Point. In addition to all of this there is excellent coverage by the Loran and Decca navigation systems. So no ship need approach Halifax harbour with any reluctance.

However, I think the point that must be made—and I am thinking of the *Cape Bonnie* tragedy in which 18 or 19 men lost their lives—is that even with all the aids the small fishing vessel may get itself in difficulties. I am sorry to see that the minister did not accept the suggestion which was advanced by the fishermen in the area, by Rear Admiral Pullen, by my colleague, by myself and by the hon. member for Lunenburg-Queens as well as by others. However, since time is running out I will deal with that matter later.

Then there is the situation at the dockyard in Halifax but that also will have to be dealt with later. All I will say now is that it is regrettable that while the workers in the ship repair classification have been given increases, those in motor transport and the labourers have not. This will have to be dealt with at a later time because I wish to conclude with the following thoughts.

This is our centennial year which I hope will afford an opportunity for Canadians to travel and see their country. I should like to mention four or five places which I think it would be interesting for any person to visit. I have seen them all since the start of this year. First I should like to mention the gardens at Saanich and Victoria on Vancouver island. I was driving around there on Monday, Tuesday and part of Wednesday and I found only one place where the home owner had not mowed his lawn. This area was most attractive. There were rock gardens in one place and right next door regular gardens. It was a sight for sore eyes, particularly eyes which have been made sore by the long Canadian winter through which we have gone in the less fortunate parts of Canada.

Another place which I should like to recommend is Niagara Falls where man has conquered nature and used such vast amounts of water for the purpose of hydro development. People do not believe me when I say this, but I am assured it is true, that man has done so well that the water can be turned off at night if necessary. A certain amount of water is always allowed to trickle over the falls because honey-mooners want to see it, but at night it is not so essential and at times of drought it can be slowed down, if necessary, to a mere trickle. I do not believe it has ever been cut off entirely but I am told this is possible.

Then I must speak of a visit to my friend Freddy, the largest lobster in captivity. I met Freddy in the biological station of the Department of Fisheries at St. Andrews, New Brunswick. He is the largest lobster in captivity. I would imagine he is completely inedible; he looks pretty tough to me but he is a friendly fellow. He likes to see people. He flips his claws in the water and splashes water in people's faces when they go to see him. I believe he weighs about 50 pounds, which is a heck of a lot of lobster, though people are better off with 50 small lobsters than one large Freddy. When he sees people he puts on a performance. There is a bit of ham in Freddy, the largest lobster in captivity.

Probably there is some ham in me because I would also suggest a visit to the Halifax area which is particularly nice in summertime when heat waves hit the rest of the country. I would suggest a tour along the eastern shore to a small place called Ship Harbour where there is a lovely harbour. The Minister of Indian Affairs and Northern Development (Mr. Laing) and his department and the provincial government are working on the development of a national park there. I believe this will be one of the great recreational areas, particularly for eastern North America, and I certainly urge everybody to go and see it, both before and after it becomes a park.

Finally, all of us must see of course the great city of Montreal and mighty Expo '67, the jewel in our centennial crown which will show us the achievements of which we as Canadians are capable and will bring us all together in this centennial year. Perhaps I could interject at this point a more prosaic note. Let me say first of all that I am not advancing a new idea but one which has been mentioned previously and about which people have written to the Minister of Finance (Mr. Sharp). I am referring to the idea that in some way the cost of Expo trips be allowed as an income tax deduction. Perhaps the minister may be able to apply such a scheme not only to trips to Expo but to any trips this year which take Canadians from one province to another. It has been a late spring but this may be a harbinger of a very fine summer. In any event it behooves us in this great country of ours to see that as parliamentarians we play our part. I am sure this will bring us all together with a greater sense of pride in being Canadian.

Mr. Pickersgill: Mr. Speaker, I am rising to exercise my right under the rules. I did not want to bob up a third time while the hon. gentleman was speaking but I wish to say—and I accuse him of nothing but good faith—that he exaggerated to a certain extent what I said and certainly anything I ever intended about legislation with respect to maritime transportation. I did say that I hoped there might be a possibility of dealing with this matter, in the initial stage at any rate, before the end of this year, but I would not expect it to be disposed of in this session. I believe the transportation study will be ready and generally available about the end of this month. I am trying very hard to get it completed. I feel the study will require a lot of examination and perhaps rather heated debate before any of us will feel very confident about what is the right thing to do, and it is perhaps more important to do what is right than to do it in a rush.

• (3:30 p.m.)

[*Translation*]

Mr. Jean-Eudes Dubé (Restigouche-Madawaska): Mr. Speaker, before I begin my remarks, I should like to extend my most sincere congratulations to the mover and to the seconder of the address in reply to the speech from the throne.

The former spoke with the eloquent and earnest voice of a Newfoundlander who is proud of his new country; the latter told us with freshness and humility, but with clearness, about the aspirations of a genuine Quebec farmer.

Both of them carried out their duty outstandingly well. Both raised the prestige of this house and gave a very propitious impetus to this centennial session.

In my capacity as representative of one of the northern ridings of New Brunswick, I was very happy to note that some of the legislation as proposed in the speech from the throne directly affects our region. I refer more particularly to the statement that the

federal and provincial governments will join in a major regional planning effort in northeastern New Brunswick through the Fund for Rural and Economic Development, better known as FRED. I hope this unequivocal and specific confirmation will re-assure our people that both governments intend to proceed immediately and actively with the development of the pilot region.

Mr. Speaker, it was on September 20 last, in Fredericton, that the first cannon shot went off, confirming the declaration of war against poverty.

That is the time and place where the federal and provincial ministers signed the agreement to implement the development program of the northeastern area of New Brunswick. It was the first plan of that kind in the country and, if I am not mistaken, the first try at rural planning in North America.

That agreement was signed under ARDA, passed by parliament here in 1961, and more immediately under the Fund for Rural Economic Development Act passed by the Canadian parliament last May.

The Fredericton agreement binds the two governments to co-operate in a joint program and to set up the administrative machinery needed to implement it.

I am particularly interested in the pilot area, Mr. Speaker, because it includes the ridings of Restigouche and Gloucester as well as the parish of Alnwick in the neighbouring riding of Northumberland. That area was chosen because it meets the requirements: low incomes and excellent development possibilities.

The two areas of Dalhousie-Campbellton and Bathurst-Belledune have welcomed in the last few years new industries including Radio Engineering at Atholville, Restigouche Abattoir at Campbellton, CIL and Allied Chemicals at Dalhosuie as well as a vast chemical and steel complex at Belledune.

Enlarged pulp and paper facilities will be provided at Atholville and Dalhousie, and the latter is also to have a new seaport.

New mineral deposits have recently been discovered in the area and large sums of money have been and are to be invested in their extraction, especially in the vicinity of Bathurst-Belledune and Upsalquitch.

However, the adjoining areas, including the town of Campbellton, which is a railway and commercial centre, do not yet fully participate in this new economic expansion.

And so this pilot area is most suitable for a concerted government effort in the field of planning. As I said earlier, it presents the conditions required: a low income level, great development potential, recent industrial expansion and a population anxious to move ahead.

This desire of the population to participate actively in this pilot project is evident and very stimulating. Regional and local groups have been constituted rapidly and are very active at the moment.

The French-speaking group, CRAN, and the English-speaking group, NRDC, are meeting once a week on a regional basis. Furthermore, several of their local committees get together each month in various localities of the pilot area.

Those tasks forces have received the assistance of leaders, who have analysed the problems in their own regions and put forward concrete projects. Naturally, they expect action from the governments.

I was very pleased to learn last week that one of the pet projects of CRAN and NRDC, as well as of the local chambers of commerce, had been approved and that construction would start as early as July. I am referring to the announcement made by the minister of public works of New Brunswick with regard to the construction of a road section in the area between Saint-Quentin and Bathurst.

Provision had already been made besides, for that proposed section in clause 42 of the Fredericton agreement which reads as follows:

—Federal financial assistance for the construction of a road for the development of resources in a westerly direction from Saint-Quentin.

That proposed road, 74 miles long, which will cross an area rich in forest and mine resources, will contribute to development within the pilot area.

Other plans have already been submitted or will be submitted by the planning groups I just mentioned, namely CRAN and NRDC, as well as the chambers of commerce and others, as well as by myself, on various occasions.

But I would like to take advantage of the debate on the address in reply to the speech from the throne to point out once again these projects to the attention of those who have the power to carry them out, and especially those who will be responsible for the implementation of projects in the pilot area, according to the Fredericton agreement I mentioned a moment ago.

The southern region of Restigouche constituency, through its geography and its economic situation, is particularly handicapped. I

note that the speech from the throne states as follows:

The government will also take special measures in particular designated areas where human resources are not adequately utilized—

• (3:40 p.m.)

Parliament, therefore, will be invited to broaden the scope of the area development incentive program and to provide increased funds for it.

We know that under the ADA (Area Development Agency), not to be confused with ARDA, new industries coming into designated areas may benefit from a federal grant equivalent to one third of the cost of establishment. The region I am speaking of, being a pilot area as well as a designated area, can benefit from both these programs.

It is encouraging, Mr. Speaker, to note in the speech from the throne that the government will not only maintain its industrial assistance but that such aid will be increased in designated areas.

We hope that all this assistance will help bring new undertakings in our area.

Returning to the south Restigouche area and the projects to be undertaken in that area under the Fredericton agreement, the authorities must, I believe, seriously consider the development of blueberry fields in the Kedgwick area.

Similar projects have been drawn up in the lake St. John district. Blueberry growing, I think, could also be profitable in the Kedgwick area. Such a program should provide for the preparation of soil, the construction of a cold storage, the organization of producers and the search for markets.

Some years ago, blueberry crops were quite profitable in that district. I do not see why the new operations made on a scientific basis and on a large scale could not be still more successful.

Mr. Speaker, the speech of the throne also stresses that, in the past, governments and individuals built cities, canals, roads and other works, sometimes without considering aesthetics and beauty.

One of the most picturesque corners of this country—and I believe that the hon. member for Halifax (Mr. McCleave) who spoke before me should add it to the list he proposes to all Canadians to celebrate this centennial year—is the valley of the Restigouche and its tributaries. But we cannot say that this wonderful land has been defaced by too many extensive works. On the contrary, visitors can still enjoy a natural, peaceful landscape and there are tremendous tourist possibilities.

A tourist project called Miscou Trail or Acadian Trail was prepared for the pilot area, by Mr. Raoul Landriault, of Ottawa. It provides for the construction of a tourist and historic route along the south shore of the Restigouche river and the coast of Caraquet. That study provides for the development of parks and hotels scattered along the route. Along the way, as those who visited it, well know, the summer beaches are splendid. There are plenty of hills, mountains and snow for a long skiing season. For the enthusiasts, there is salmon fishing in the summer and deer hunting during the hunting season.

To the Acadian Trail project can be related the park developments in Eel River and Campbellton as proposed by the local committees of the CRAN and NRDC.

I, therefore, strongly suggest to the proper authorities to take advantage of those extraordinary opportunities which are offered to us through the federal-provincial agreement in order to carry out those projects and others.

However, I fully realize that to carry out successfully the planning and development of a pilot area, a great number of studies, preliminary surveys and several millions of dollars are necessary. Since such an amount could be spent only once therefore the first test must be a success because there would not likely be another chance. Furthermore, the future of other pilot areas established elsewhere in the country depends upon the satisfactory result of that initiative. We must not forget in particular that for the remedy to be effective, it must really go to the root of the problem, which is the great weakness of our educational services. People must be prepared to assume positions of responsibility. They must fully participate in the economic recovery of the area.

The Fredericton agreement clearly states that if firm measures are not taken to quickly improve the education and the professional training of the workers, the people of this pilot area will not profit by the new positions that will be offered and will hardly enjoy a better future.

Thus, the agreement provides for, and the province has already started, a widespread amalgamation of schools and school districts and the improvement of teachers' training. A huge program will be undertaken in the field of educational television through the most modern methods.

The federal Minister of Manpower and Immigration (Mr. Marchand) will provide

financial assistance to vocational training for a period of ten years. Furthermore, the prime minister of New Brunswick has already announced that a technical school will be built in the area.

The scheme provides also for a better use of lands, the purchase and reforestation of non-productive farms, the development of fertile farms and the opportunity for rural population to move closer to areas that offer better employment opportunities.

This is then, Mr. Speaker, a scheme both complete and complex, a scheme that will require the mobilization of a great number of experts and specialists and especially the enlistment of all the people's interest, support and dynamism.

It means all-out war against poverty, war where escalation is not only allowed but desirable. Such general mobilization cannot be accomplished overnight. However, if the people are to be patient, it is normal that the government be required to show diligence.

I am told that the three federal deputy ministers who are to be members of the special steering committee provided for in the agreement have already been appointed. The federal and the provincial directors will be appointed shortly. I must emphasize the importance of choosing competent and dynamic directors who know the area well. These two directors will become the real leaders of the program. Finally, the greater part of the burden, the initiative and the achievement will rest on their shoulders.

All the people concerned in that area will be pleased to learn that the services of the internationally known Canadian company Kates, Peat and Marwick, of Montreal, have been retained for programming the undertaking.

Mr. Speaker, in concluding I must repeat that this special development program brings hope to the people of that pilot area. It will give our people an outstanding opportunity to increase their income, get caught up in their education, improve their living conditions and share fully in the affluence of our country. Moreover, the awakening of that wealth which now lies dormant will enrich the whole nation.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there are some things in the speech from the throne that I like. I realize that that is a form of heresy when it is uttered by a member on the opposition side of the house, but I should like to assure you that I will recant the heresy before I sit down. However, may I take a moment or two to underline my suggestion that there are things in this session's speech from the throne that are welcome.

[Mr. Dubé.]

I like its tendency to look to the future and to be concerned about some of the tremendous problems that will face this country and mankind in the decades and in the century that are ahead of us. I like the reference to our needing to be concerned with our Canadian quality of life. I like the concern about our cities, on which the hon. member for Hamilton West (Mr. Macaluso) expanded in his speech today. I like the suggestion that the time will come when we must do something to remedy the pollution of our air and water. I am impressed with the suggestion that we harness the miracle of modern science to make a better life for the people of Canada and for those around the world. I was pleased to hear the Prime Minister expand on the idea of a guaranteed annual income for all our people. It was significant that he said the other day that the time might well come when every family—indeed, every person —would have a guaranteed annual income. In other words, we may come to the point where we divorce the right to live, the right to an income, the right to enjoy the things our society can produce, from work as we have known it over the centuries.

• (3:50 p.m.)

These ideas are good, but the events they envisage will face us so quickly that we ought not to regard them as occurring in the year 2000 or 2067. We are living in times of explosive, catastrophic change, and unless we act decisively we may find, instead of enjoying a golden age, that we will be living in some kind of computerized brave new world which has no concern for the individuals in it.

I welcome the foreward-looking note that is in the speech from the throne but I wish to recant from the heresy of an opposition member finding good in the government's speech from the throne by stating two serious qualifications.

First, there was more truth than jest in the Prime Minister's reference the other day to his tendency to want to look into things. He referred to this tendency as though we ought to praise him for it. Yes, it is good to look into things, but it is not good enough for a government to do only that, and the trouble with this government is that that is all it does. Problems are crowding in on us and we must act now. It is good to look into the

future, but the time to do something about that future, if we are to secure it for ourselves, our children and our grandchildren, is now. On this score, this government cannot be trusted.

The other qualification I wish to make is that fine as it is to be concerned with the world of the year 2000 or later, surely we ought not to forget the needs of our people today, the needs that face us in this country and in the world at the present time. I want to refer to a few subjects concerning which there ought to be action now to benefit those poeple who are with us here and now.

May I first refer to a request made this morning by the Leader of the Opposition and supported by my leader, the hon. member for Burnaby-Coquitlan (Mr. Douglas), that there be presented to parliament with the least possible delay a motion to enable this house to speak to the world about the tragic international situation facing us at this very moment. The words of U Thant cannot be lightly brushed aside or regarded as academic utterances only. The world's top civil servant is telling us that, as he sees it, we are in danger of drifting into world war III. The request made today that this parliament be given a chance to speak out on this issue ought to be granted.

The Prime Minister's reply was that as we are debating the address in reply to the speech from the throne members can speak about this issue to their heart's content. Yes, every member who rises can say something about this issue and may refer to his concern with the deteriorating international situation. But I think—and here I am endorsing what was said by the Leader of the Opposition and by my own leader—that it would be far more effective for parliament to speak by passing a motion, declaring our opposition to the continuing hostilities in Viet Nam, declaring our wishes about the whole situation in that part of the world. The motion need not be debated, or we could settle for a short debate on it. I call on the Prime Minister to give further thought to this matter over the week end. I suggest to him that he call into his office the Leader of the Opposition, my leader—the hon. member for Burnaby-Coquitlam, the leader of the Ralliement Créditiste, the hon. member for Villeneuve (Mr. Caouette), and the leader of the Social Credit party, the hon. member for Fraser Valley (Mr. Patterson), to see if they cannot agree on the terms of a straightforward resolution that could be presented to this house so that this house may express itself in that more formal and more direct way. That could be done without much debate, or at most one speaker from each party might speak. I urge on the Prime Minister the proposition that a motion agreed on by the five party leaders and passed by the House of Commons would show more clearly to the world than any desultory debating during the eight days, we spend on the address in reply to the speech from the throne our concern, over this matter.

The future of this country, the future of civilization as we know it, may well depend on the quick resolution of the conflict in Viet Nam. We cannot let this go on for five or ten years because no one can predict what the result might be. I urge the Prime Minister to do something about this matter over the next two or three days.

The next subject I wish to raise, under the heading of wanting parliament to do something for our people who are with us here and now, relates to our senior citizens. During the last session of parliament we discussed pensions for days and weeks on end. I know that the members on the government side think that something wonderful was done when the legislation providing for an old age pension supplement was passed. I know they think that we who attacked the attaching of an income test to that supplement, to the top $30 of what is now the $105 pension, were just indulging in carping criticism. But, Mr. Speaker, many thousands of Canadians now realize how right we were in protesting that income test, that means test as they are calling it. Indeed many thousands of Canadians are already finding out how bitter is the experience to have to report their income and, as a result, in thousands of cases to have the amount of the supplement they get cut down. The dignity our older people were given when we removed the means test 16 or 17 years ago is already being chiselled away by the way in which this income supplement is being administered by the government.

• (4:00 p.m.)

In addition to the fact that there are thousands of people who in the ordinary way are feeling the indignity of this test, there are some particular cases. I refer first of all to those who are on both war veterans allowance and the old age security pension. The stories we get from these people are tragic and pitiful. In case after case a person is told by the old age security people that the fault lies with the war veterans allowance, but is told by the war veterans allowance people that the fault lies with the old age security administration. The Minister of National

Health and Welfare (Mr. MacEachen) was so determined to tell us that things like war veterans allowance would not affect his income supplement that people got the wrong impression, but they are now learning in the fine print from the war veterans allowance people that although they can get the old age pension supplement despite war veterans allowance, they lose part of their war veterans allowance, or all of it, if they get the old age security supplement.

The same sort of conflict is taking place between the federal and provincial authorities. Each one is blaming the other and I suggest this is a far cry from the principle of dignity in old age which parliament established when it decreed that the old age pension in its entirety should be free of a means test of any kind. This could have been avoided in the last session if the government had agreed to make the $105 a month payable to all pensioners as a matter of right, without any means test, and I think this is something we still must do. As a matter of fact the matter can be solved quite readily if the government would agree to a resolution standing in my name which is now on the order paper. It is No. 19 and it reads as follows:

> That, in the opinion of this house, the government should give consideration to amending the Old Age Security Act to provide for the full amount of the income supplement provided thereunder to be incorporated into the basic pension, and for the eligible age to be lowered immediately to 65, so that all persons in Canada 65 years of age or over who meet the residence requirements will receive the full pension of $105 per month without any income test, the full amount of the old age security pension thus being recognized as a matter of right.

While I am dealing with pensions, Mr. Speaker, and again thinking in terms of the needs of people who are with us here and now, I urge the government to act immediately on the report that was made on the last day of the last session by the joint committee on the public service of Canada, calling for increases in the pensions of retired civil servants. It has taken a long while to get this recommendation placed before parliament and the government. I hope the government will act on it immediately.

There are other groups that should receive similar consideration. I think for example of retired pensioners of the C.N.R. whose position is very similar to that of retired civil servants, and I hope when we get action for the one group we will get action for the other as well.

I am glad to see at long last that there is a reference in the speech from the throne to unemployment insurance amendments. I hope we will not have to wait very long for them. In particular I insist that the rates of benefit provided under that legislation, which have not been changed for the last eight or nine years, should be increased without further delay, and so should the ceiling on the amounts under which people can pay into the unemployment insurance fund.

Medicare is again something members may feel we are through talking about, because it was finally passed during the last session, but it is still a fact that for all the talk about the great century that is ahead of us, the tendency of this government is to put things off. July 1, 1968 may not seem so far away now, some 13 or 14 months, but I insist that is too long to ask our people to wait for the implementation of medicare. I insist that the reasons that prompted the government to delay implementation from July 1, 1967, to July 1, 1968, do not stand, and that the government should use the provision that was written into the act to bring that legislation into effect at an earlier date. Otherwise, Mr. Speaker, what are we to take from offers to write such provisions into measures that we are debating? What is the point of such amendments if no use is made of them?

In the same vein I would like to refer to something that the hon. member for Lisgar (Mr. Muir) asked about on orders of the day this morning, and which I had intended to raise. When we were debating the medical care legislation, we had before us at great length the question of including optometry and other paramedical services under the provisions of that legislation. After a while we got an amendment, and the amendment says clearly that certain other services can be added if an agreement is made between a province and the federal government. When asked about it in the course of the debate, the minister made it clear that this was in the same category as the legislation generally, that there was no need for all or for a majority of the provinces to agree, that just as the legislation itself as a whole could come into effect in one province if only one province agreed to it, so these additional services could be added by an agreement between any one province and the federal government.

That is in the act. It is in the statement that the minister made when we were debating it; but now when it becomes an issue, when some of the provinces have appealed to the

federal government to make agreements, the minister says we must wait until there is a consensus of the provinces. That is an interesting word. It was not defined by the minister as to whether it means two or three, the majority, or all of the provinces. But I submit it casts a very bad light back on the kind of thing done in the debate on medicare when in two cases we got amendments which the government is now apparently prepared to do nothing about.

In the one case there was an amendment to make it possible to bring the date forward. We have had no action on that. In the other case there was an amendment to make it possible to bring in paramedical services even if only one province requested them. Now the government says there must be a consensus. I understand that a number of the provinces, three or perhaps four, have already requested that certain branches of optometry and perhaps other services be included in the provisions of the Medical Care Act, and I urge that the government realize that these are things that ought to be done because our people need them. They also ought to be done to demonstrate the good faith in which we assumed the government was acting when it agreed to these amendments during debate on the legislation last year.

As I say, Mr. Speaker, these things, the problems of old age pensioners and war veterans allowance recipients, of superannuated civil servants, of retired C.N.R. pensioners, and of people needing medicare, are with us here and now. Many are the problems of old people who helped bring Canada through to the conclusion of its first century. While it is fine to be talking about the future, about the next few decades, about the glorious era of 2067, the responsibility of this parliament is not only to do some thinking and some planning now to cope with the problems of the future, but it is also its responsibility to meet the needs of the people who are with us here and now, and I call for action on the part of the government right now on the questions of a social nature about which I have spoken.

• (4:10 p.m.)

I return to the first plea I made, namely, that over this week end the Prime Minister consider favourably the suggestion that he call together the leaders of the various parties of this house with a view to reaching agreement so that by passing a motion early next week this parliament can speak to the world with a clear voice in expressing our concern that there be an end to the war in Viet Nam, that there be sanity in international affairs, so that there might be a world for our children and those who come after them.

[*Translation*]

Mr. Georges C. Lachance (Lafontaine): Mr. Speaker, to start with, my first words will be directed to the mover and the seconder of the address in reply to the speech from the throne, the hon. members for Burin-Burgeo and Nicolet-Yamaska (Messrs. Jamieson and Côté).

Those two hon. members did not only present works of art but their speeches were also quite interesting and carefully prepared. They are experts in their respective fields, the mover in the media of communication and the seconder in the field of agriculture. I think that the government should call more often on our experts in the House of Commons, so that our bills might be better prepared and better suited to the needs of the Canadian people. Therefore, they do deserve our sincere congratulations.

Mr. Speaker, I should like to deal with several points, in the few minutes available to me during the debate on the address. I do not intend to deal with them according to their relative importance, because all these problems are in my mind of the utmost importance, whatever they may be.

Nevertheless, I think that today in Geneva the representatives of the various countries are gathered to deal with the customs tariff under GATT. This is what is called the Kennedy Round. Well, I think this is a most important day for world trade and the discussions now taking place are crucial for the outcome of this meeting.

I hope that every member of this house wishes that this meeting should succeed. The time allowed for completion of the discussions will expire in the near future, unless those believe that this is one of the greatest means to raise the standard of living of mankind. concerned agree to go on.

I am a firm believer in free trade, in unfettered commerce throughout the world, and I I know that our trade minister (Mr. Winters) is in Geneva, and that his experience will serve the cause and help enlighten those who are slow to understand that these talks must achieve some results.

Many questions were touched upon in the speech from the throne Mr. Speaker. It is claimed that it lacks the depth of the preceding one. To my mind, Mr. Speaker, it may be felt that the government after accomplishing

so much and after having parliament pass a very considerable number of measures that the government in this centennial year has decided to give priority to more human problems.

Constitutional reforms are required and I am surely not the only one to think so. Unemployment insurance should be amended and this project has been shelved for years. I am taking in several items, but I believe that the war in Viet Nam and the steps to be taken to bring it to an end, as well as world peace, are surely among the greatest concerns of the government. They are, by the way mentioned in the speech from the throne.

Customs tariff amendments will undoubtedly follow the Kennedy round. Then, space communications and control of water and air pollution will be dealt with; I consider this one of the most important points of the speech from the throne. I hope the government will act immediately on it. I see that the minister who is responsible for the consideration of this problem is in the house. And, finally, assistance to Canadian consumers will be dealt with.

I do not intend to list all those problems, Mr. Speaker. There is capital punishment also. I had an opportunity to refer to this at other times. I made my views known on this problem, and I do not hesitate to say that, in the last session, I voted for the retention of capital punishment. I regret to a certain extent that the government has decided to settle that matter by leaving us free to defeat or pass not a bill but a private member's bill. I, therefore, have doubts about the result of that free vote.

So far as I am concerned, Mr. Speaker, that problem is secondary to the rehabilitation of the inmates. The problem of capital punishment affects only—I say only and I think that I will be criticized by some people for saying it because no one is above criticism, Mr. Speaker—those who have been found guilty of first degree murder after having gone through all the stages before our courts of law up to the Supreme Court.

Mr. Speaker, I leave it to the government to decide whether or not capital punishment should be abolished. Personally, I do not intend to change my mind about it unless the government—and I think it must do it—introduces a detailed plan for the rehabilitation of the inmates in our penitentiaries.

[Mr. Lachance.]

• (4:20 p.m.)

It is much more important to look after the living than the dead. Even if we abolish capital punishment, even if we vote for life imprisonment, I still consider them as dead. Therefore, what is important is the rehabilitation of the inmates in our penitentiaries.

And among the important subjects which deal with rehabilitation, there is the suppression of the criminal record. I have had the opportunity to discuss that matter before a committee, during the last session. In my opinion, it could happen two years after the sentence has been served but no more than five years in order to give the prisoner a chance to take advantage of that measure, to make a new start in life and, in particular, to give him the hope that a new life is possible.

I know that the Canadian association of chiefs of police is not in favour of that measure, however their concerns is not rehabilitation but rather the custody of the prisoners.

I think that a planned educational program is necessary in our penitentiaries, so that the prisoners may improve their education and, if possible, obtain degrees or certificates, and become eligible to try the civil service examinations.

I do not see what organization is in a better position to help prisoners than the government. Private enterprise is surely not to be called upon to deal with that problem if the government fails to do so.

Positions in the civil service, in the public service, whether federal, provincial or municipal, should be made readily available to these people in order to encourage them to start afresh. I am not suggesting that this be done without appropriate measures being taken, for instance, through the establishment of a supervisory board, but I think that some hope should be given to prisoners. I feel it is the only way to rehabilitate that class of people or at least part of them, because, first of all, they represent an essential source of manpower for our country and, secondly, it is very costly for the government to keep those people in institutions and to maintain their families who suffer hardship. There is no doubt that I will have the opportunity to return to this.

Now, Mr. Speaker, it would be advisable to make intensive research in order to come to a realistic and efficient division of jurisdictions between the central and the provincial governments. I know the federal government and the members of the house are concerned with this matter.

In my opinion, it would be advisable to explore seriously the possibility of establishing a Canadian common market for the purpose of trade planning. Since the provinces are competing for business at the present time, this does not help our trade and our exports. Therefore, we should promote the idea of a Canadian common market in order to plan our production and, consequently, help our export trade. This is a prerequisite if we want to maintain and improve our standard of living.

Mr. Speaker, there are essential parliamentary reforms and also administrative reforms which are imperative for the proper operation of our administrative system. It may be advisable to set up a board of directors for federal-provincial affairs. If we want the Canadian administration to improve and answer the present requirements of our modern world, we must plan our governmental administration and organization.

It may be advisable to set up a board of directors for federal-provincial affairs, with a permanent seat in Ottawa, where each province would be represented, to review regularly all the problems which are or could be debatable, with respect to joint jurisdiction. I think that it would then be advisable to create a department of federal-provincial affairs.

Mr. Speaker, as for the field of constitutional reforms, I think that it would be more than ever expedient to appoint a court to settle those constitutional problems which can crop up between the central government and the provinces or among the provinces themselves. This court could sit ad hoc, if necessary, to hear the constitutional issues and could be made up of, let us say, 13 judges, or rather 11 judges for the 11 provinces, plus four judges of the Supreme Court and that would make a total number of 15 judges. Then, it would not be necessary to appoint new judges, there would simply be a court made up of four judges of the Supreme Court. Why four? There could be five. Anyhow, we must come to a certain number, a certain balance, and the chief justice or his deputy in each province.

• (4:30 p.m.)

This court, which would automatically include the chief justice of the Supreme Court, or his deputy as chairman, as well as three other judges, and the chief justice or his deputy in each province, could then be called upon to settle constitutional problems or disputes between the central government and the provinces, or between the provinces themselves. Any matter referred to it would be heard forthwith, and this is as it should be, and a report would be submitted to the various parties within a maximum period of three months or rather six months.

I do not think we should wait till a magic solution has been found before we amend the constitution, or till an agreement has been reached before we draw up a new constitution. It matters little what doctrine certain people preach. I do not believe we should wait till then to set up a court to solve the problems or disputes between the central and the provincial governments, or between the provinces.

With regard to parliamentary reforms, Mr. Speaker, discussions could be very lengthy. The matter interests me highly. If we do not reform our parliamentary institution, I fail to see how we can find solutions in the administration of our country. To my mind, the matter at hand is one of self-determination, of self-discipline. I cannot see why the house should not be able to find the means, although perhaps not all of a sudden, to improve our parliamentary system, and more particularly the standing orders.

I should like to raise a very specific problem here, namely that of French debates reporting. I think, sir, that the existing system is not adequate.

French language reporters—I would like to be corrected if I am mistaken—take shorthand notes of the debates at the same time as proceedings are recorded on a sound-tape system. After that, typists copy directly from those tapes and, unlike what some people think, including members of this house, it is the tape recordings that are used for transcribing speeches, not the shorthand notes.

Then, those copies go to the press gallery before the editors have had an opportunity to correct them, while it seems that a different system exists for English language reporters. The English reporters take the speeches down in shorthand, transcribe their notes and, of course, the work which is done by those reporters is more complete than the transcription from the tape because the reporter takes all the words down at the same time. When the newspapermen get the speeches made in English, these have been edited, and corrected by the reporters, whereas the speeches made by the French-speaking members are sent to them before they have been read and corrected by the French-speaking reporters or editors.

Needless to say, Mr. Speaker, that the typists are not miracle workers and that most of the time we get a lot of nonsense and gems which are not of the best quality. I congratulate the members of the press gallery for not using them more often.

In my opinion, nothing prevents the house from taking the required steps so that the blues of the speeches, either in French or in English, be revised by the official reporters before being sent out, wherever it may be.

Even if it is considered difficult to find the required staff so as to obtain the same results and treat everybody equally, as regards either the French or the English official report, I feel that a solution must be found.

Every member should get the copy of his speech, what is commonly called the blues, and take the responsibility of making his own corrections. French-speaking members no longer get the blues, or at least I think that only ministers, former ministers and parliamentary secretaries get a copy of their speeches.

Let every member receive his "blues", the copy of his speech, let him make the necessary corrections and take full responsibility for his speech. After all, it is not literature but spoken words. It is only a transcript of the proceedings, and if hon. members do not correct their speeches, the latter will appear in *Hansard* next day as they were taken down, with mistakes, naturally, and will be corrected only in the next seven or eight days, as our stenographers or rather the proofreaders or editors are doing now.

The same should apply to committee proceedings, Mr. Speaker. Hon. members never receive the copy or blues of their speeches or interventions. The whole thing is sent directly to the room where the debates are transcribed and from there to some editing committee, I do not know where. Finally, hon. members never see their speeches until they are printed and distributed.

I think the same system should be used, all the more so since committee proceedings are seldom printed before two or three weeks after the committee sittings. So, the day after such sittings, or the second day after, copies should be sent to hon. members who should take the responsibility of correcting their own copy and returning it in within one week. In this way, hon. members would have the satisfaction of correcting their own text, or they could have it edited by someone if they wished to hire someone, or by their secretary.

But what currently happens is that some texts of speeches given in French in the house which find their way to members of the press gallery—whom as I said, I thank for not using them more often—are not quite the same as what was uttered in the house. Of necessity, the tapes and the voices overlap often and completely change certain words. I will not give any examples here, but there are nevertheless words which can stangely change the meaning of a sentence if a P is used instead of S, M instead of R.

• (4:40 p.m.)

Mr. Speaker, to conclude, I would like to talk about Expo. As a member for a riding in the island of Montreal, I am proud of that joint achievement of the federal government, the province of Quebec and the city of Montreal. I want to thank sincerely all members of the House of Commons and all Canadians who contributed to the completion of this project which will certainly become a wonderful instrument of culture and better understanding between all citizens in Canada and the whole world. This is a unique opportunity for Montrealers and, in a lesser degree, for their neighbours to broaden their cultural and general knowledge. That is why I should like to offer my sincere thanks to the members of this house and to all Canadians for having helped with this wonderful achievement.

I particularly wish to thank those who are responsible for this monumental undertaking. The house will perhaps allow me to mention a few: Commissioner Dupuy, His Excellency the Ambassador and his team, and Mayor Jean Drapeau and his team. They did wonders, one could almost say miracles, and the result is here for all to see.

Now it is time to think beyond Expo. I think that with the co-operation of the central government and the provinces, it will be possible to create an international cultural centre in Montreal, a free port. This is essential to the development of the country. Moreover, I think we will have helped in making that fantastic undertaking, Expo, a real monument to the genius of man.

[*English*]

Mr. W. H. Jorgenson (Provencher): Mr. Speaker, my first words are to join with the two hon. members on the other side of the house who spoke yesterday about a former colleague of ours, a member of this house from my own province of Manitoba. I refer of course to Mrs. Konantz. I should like to say

how deeply we regret her untimely passing. She was a person who gave freely of her many talents and abundant energy to a variety of organizations helping mankind. I should like to extend to her immediate family my deepest sympathy at her passing.

May I also, in the time honoured tradition, offer my congratulations to the mover and seconder of the address in reply. I do not say this in a perfunctory manner because both of them have acquitted themselves in a fashion which does credit to them, to their constituencies and to their party. I feel confident that in the future we will hear them express their opinions on subjects on which they both appear to be experts.

On occasion we find that a speech from the throne will reveal everything. On other occasions the reverse is true, depending upon the type of manoeuvring the particular government in power has in mind. In my opinion this one revealed only one thing, namely that this government is still afflicted with fumbling indecision. It is trying to be everything to everybody and does not really know in what direction it should go. In a speech from the throne the government can either promise to do everything or not promise to do anything, and this one seemed to be constructed in such a fashion that the government could take either of these two alternatives and still say that it fulfilled its promises contained in the throne speech. As a matter of fact, it was so vague in that respect that one would be tempted to believe that it was the joint effort of the Secretary of State for External Affairs (Mr. Martin) and the hon. member for Red Deer (Mr. Thompson). I cannot help but think that there must have been some contribution made by both of these gentlemen in this particular throne speech.

If we can interpret correctly anything that has been said in the throne speech, we can take it that the government will bring in a measure of parliamentary reform. I do not want to tresspass on the ground that was covered so ably this morning by my colleague, the hon. member for Winnipeg South Centre (Mr. Churchill), but I share with him the concern that this government, either deliberately or inadvertently, is placing this institution in a strait-jacket from which it will not be able to manoeuvre, where freedom of expression by members of this house will be lost and where the government will be able to do at will whatever it pleases, without being called to account for it.

One of the things which I believe have made this country unique in the eyes of the world has been the happy balance we have been able to maintain between freedom and respect for law and order. I think that to a large extent our institution of parliament has been the instrument through which this measure has been achieved. I am afraid that to disturb the role of parliament such as we know it here in Canada could either cause the loss of freedom of the people of this country or a loss of their respect for law and order.

I hope that this centennial year will give each of us an opportunity to assess our present and our past. I hope it does not degenerate into a splurge of emotional flag waving or vain boasting, because I do not think that this is what will make our country great. What has contributed so much to our prosperity has been the effort of every individual Canadian to make his own part of the country a better place in which to live. Collectively, then, we have built a better Canada. I should not like to see that kind of initiative, which has been developed through the years, taken away from our people so they will feel that the government, and the government alone, is the answer to all their problems. I share with my colleague, the hon. member for Winnipeg South Centre, the fear that this is the state into which we are being driven.

• (4:50 p.m.)

There are a number of measures mentioned in the throne speech upon which I should like to comment, particularly since they affect my own area of this country. Reference was made to the area development program. Although it is difficult to determine just what changes are intended, it is stated that parliament will be invited to broaden the scope of the area development incentive program and to provide increased funds for it. I hope, Mr. Speaker, that not only will they broaden the scope of this program but that they will change some of the criteria used to enable areas of this country to qualify under the program.

I happen to represent an area that is largely within the Winnipeg National Employment Service district. The city of Winnipeg has not suffered from the unemployment problem which has afflicted other areas of this country and, on an average, has had a relatively high level of employment. This situation, however, does not hold true in the rural areas surrounding that city. When the people in the area I have referred to find themselves lumped in with the city of Winnipeg for the purpose

of qualifying under the area development program, I think they are justified in complaining and feeling discriminated against.

In the areas of Altona, Steinbach and Morris, considerable effort has been made by community development corporations to induce industry to settle in those areas. They have met with some success. A great deal of attention was given to the problems of the urban areas and they were very eloquently and ably presented by the hon. member for Hamilton West (Mr. Macaluso) earlier today. I share his concern with the problems of the urban areas. However, it seems to me that with all the difficulties that they face such as transportation, providing housing, providing the services that are necessary in order to accommodate the ever increasing urban population, it would be far better to attempt to remove some of the industries into the smaller rural areas where there is a labour force and where there are facilities that will accommodate the development of industry. In the Pembina valley they find that, as a result of the application of this area development program, they are competing unequally, first of all with the city of Winnipeg and, second, with the other areas of the province of Manitoba that have been included in the area development program. It seems to me, Mr. Speaker, that this is grossly unfair to the people of these areas and adds impetus to the exodus of the young men and women in these areas.

It seems to me that the criteria used for the establishment of an area should be based not so much on the unemployment insurance figures as on the income figures. Some attention should be paid to the suitability of the area for industry and the availability of water, communications, power and so on. Last, but perhaps not least, it seems there is an ever growing tendency in this country to locate our urban areas on the best soil in Canada. This is being done at a time when everybody is talking about the need for expanding the production of food. It seems to be the height of foolishness to place concrete on the best land we have in this country. Here is the situation in which we find ourselves. The government is providing incentives to increase urban development on the one hand, and on the other hand is talking about the need for expanding food production. They talk about rural development and about diversifying industry, yet the incentives are provided in the wrong direction. I hope when this matter comes up for review by the government, and when it is brought before this house, steps will be taken to ensure there is no discrimination against some of the rural areas of Canada that are endeavouring to pull themselves up by their own bootstraps. I hope, too, no further barriers will be placed in the way of the development of the rural areas.

I should like now to deal briefly with the question of agriculture. I noticed also in the throne speech that there was a reference to providing credit to agriculture and co-operative societies. I welcome this measure since on numerous occasions, I have drawn the attention of the minister to the need for such a program. I am happy to see it included in the speech from the throne this session. I hope they will proceed with the program without delay. The hon. member for Nicolet-Yamaska (Mr. Côté) seemed to be quite happy with the measures suggested in the speech from the throne so far as they applied to agriculture. He made some reference to some measures that have already been adopted by the government in order to deal with farm problems. I should like to believe, myself, that farm problems do not exist, but reality forces me to the obvious conclusion that such is not the case. Certainly, the buyers' strike we find out west is not an indication of happiness on the part of the farmers there. Certainly, the march that is going to take place on Ottawa by the dairy farmers would not lead one to believe there is complete happiness amongst that group. The housewives of this country have formed protest groups against the rising cost of living. These and other signs certainly seem to indicate to me that the government has plenty to worry about so far as agriculture is concerned.

• (5:00 p.m.)

On several occasions the minister has made trips out to western Canada, and on each of these occasions he has bravely tilted at windmills. First it was the railways that caught it, then the banks, and on the third occasion he was out there he railed away at the big business interests. But when he comes back to Ottawa, Mr. Speaker, he is all meek and mild. I want to tell the minister that he is fooling nobody, certainly not the farmers in this country. He had better not consider them rustics who like to hear pious platitudes. The farmers want action, they demand action, and action they will get.

What does the speech from the throne contain in the way of remedies for the agricultural situation? One reference: The government is going to appoint a task force—as if it was necessary, Mr. Speaker, to appoint a group of people to study the problem further. We know what the problem is; what is required is the application of policies which will remedy the situation.

It is not simply a question of appointing bodies to administer subsidies; that is a deadly palliative that will have no effect at all in relieving the situation. There is a whole range of policies that need to be applied if this government is to come to grips with the problems of agriculture. It involves such things as marketing boards, where these are desired by the producers. It requires more leadership under the ARDA program. It requires an expanded farm credit program. Almost every session we seem to be amending the Farm Credit Corporation Act, and still never quite catch up to the technology that is advancing upon us. It requires some basic changes in transportation policy. With the ever increasing volume of farm products moving to markets, and particularly into export markets, we cannot hope to move these products in the time required unless some very fundamental changes are made in our transportation policy.

A more extensive application of crop insurance across the country is also a requirement. Up till now most of the provinces have toyed around with this, with the exception of my own province of Manitoba where it is available on the basic crops to farmers in the province. More marketing research is also required, processing products so that they can be more readily moved into export markets. We also require some enlightened trade policies. As I said, Mr. Speaker, the appointment of boards to administer subsidies just is not enough. Because what is being done is simply to place the farmers in the pockets of the administrators.

Some time ago the then minister of trade and commerce, now the Minister of Finance (Mr. Sharp), during the time sugar prices rose sky high, bravely announced in the house that he was going to seek commodity agreements with some of the world sugar producers, so that the producers of sugar in those countries would receive a half decent price for their efforts. What has happened to that brave promise, Mr. Speaker? We have not heard one single word from the minister since that time and today our sugar beet industry, particularly in southwestern Ontario, is on the verge of elimination.

Increasing the subsidies which are provided under the Agricultural Stabilization Act is not going to resolve the problem. What are required are more fundamental and basic solutions. It seems to me that this government is either unwilling to come to grips or is incapable of coming to grips with these problems.

Apart from the appointment of such bodies as a feed grain marketing agency in eastern Canada, a dairy commission in Ottawa and a few other boards that administer subsidies, this government has not introduced any policy at all to deal with the deep-rooted and basic problems in agriculture. My suggestion to them is that, rather than appointing task forces, the implementation of policies would be a far better way of dealing with our agriculture problems.

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, at the outset I should like to compliment the mover and the seconder of the address in reply to the speech from the throne. Theirs were inspiring addresses and I am sure we have all benefited from them.

I want to concentrate this afternoon on only one aspect of the speech from the throne, which is the government's program for the coming session, and that is the broad area of transportation. More particularly, I should like to talk about urban development. I should like to talk about urban development in much the same light as other speakers in previous years have talked about rural development.

I think that the national government, the federal government, the government here in Ottawa, must take an interest not only in the lives and manner of living of the people in our rural communities across Canada, the population of many of which is declining, but also must take an increasing interest in the problems facing those who in greater and greater numbers are coming to live in our larger cities and towns.

The speech from the throne was a rather lengthy document. It contained flights of oratory, as well it might in our 100th year. It also contained a number of passages which were crammed with the lists and brief descriptions of pieces of legislation which will be dealt with by this house in the coming months. I am particularly concerned about the studies which the federal government proposes to undertake, in co-operation with

the provinces, in respect to urban development. I believe that within this lengthy list of items of legislation we must establish certain priorities. Close to the top of the list I would put the problems faced by the developers of our large metropolitan areas, particularly the manner in which the development of future areas is planned and how it is to be paid for, so that we may have the best possible communities for the future.

• (5:10 p.m.)

In a vast country such as Canada, a country of great distances, with a limited population, we must put the accent on mobility and flexibility. Increasingly the emphasis is being placed on greater opportunities for individuals, and this is as it should be. We should observe the underlying, statistical trends which have been traced by the Economic Council and other learned bodies, societies and government agencies in this country. We must learn as much as we can about these trends, and endeavour to correct them as best we may.

The trend I first wish to describe is that which has gone on for half a century, away from the primary industries of this country—away from agriculture, fishing, forestry, the outlying areas, individual farms and woodlots, into cities and even into vast megalopolises, those clusters of big cities joining up one with the other.

There is a trend toward ever widening markets, toward more highly skilled jobs and greater specialization. This is coupled with the need to upgrade one's skills, to move from one occupation to another, perhaps several times during an individual's lifetime, or to move from one community to another, so as to improve the lot of individual Canadians.

In identifying the extent of the trend from the country to the city, or from the primary industries into other industries which exist in our big cities and towns, we see that at the turn of the century 50 per cent of the Canadian population was employed on farms, in fisheries, or in forestry, in the elementary sense of that word. By 1950 that figure had dropped from 50 per cent to 15 per cent. I am told that at present about 7 per cent of our labour force could efficiently produce all the food and primary forest products that Canada generates. The forecasts are that by the mid 1980's only about 5 per cent of Canada's population will work in the primary industries. In other words, during this century, terminating in the year 2000, we shall have

[Mr. Davis.]

moved from a situation where half our population lived in rural areas of the country to less than 5 per cent there.

Many who move into our big cities find work in factories. Others to an even greater extent move into our service industries, which become essential as our standard of life rises. Most are moving into a few large cities. Recently I read a report showing the extent of this trend. I learned, surprisingly enough, that during the last five years only the Montreal area in Quebec had increased in population. The rest of the province had remained static in population terms. I also read that in southern Ontario young people are moving in great numbers from rural communities, from small and medium sized towns, to large cities. Only in large cities is the population in the 20 to 30 year old bracket increasing rapidly, and this is an indication of things to come, which further underlines the trend to the big cities of the future.

I contend that if we devote a great deal of energy, time and money to rehabilitating our outlying areas where a declining number of Canadians earn their living, we ought also to devote more effort to improving the lot of those living in our major metropolitan areas. In the minds of some people the federal government has taken over too many matters of provincial jurisdiction. True, ARDA, which has been on the statute books since 1961, has been improved and modified. But it has brought to our rural problems the expertise of various departments of government—departments such as agriculture, forestry, fisheries, transportation, industry, public works, manpower and immigration, and finance—and that expertise has been brought to bear on areas of declining employment and chronically low income. Those departments, with their task forces working in concert, with provincial departments, are doing excellent work in telling people locally in rural areas what the opportunities are, where employment exists, and where they may obtain higher incomes for themselves and their children.

In the main this has meant to many people in rural areas a continuing improvement in their standard of living. We need a similar, comprehensive approach to our urban areas. Latterly we have created a department of rural affairs which is responsible for ARDA. We need a similar federal department to concentrate its attention on the majority of the Canadian population, those living in our fast growing, vital metropolitan areas. We need a department of urban development.

We have our Agricultural Rehabilitation and Development Act; we need an urban development act—not an urban redevelopment or an urban renewal act. We do not want to repeat our mistakes of the past: We wish to improve the lot of our people in the future.

We face here an opportunity to co-ordinate the work of some federal government departments. Central Mortgage and Housing Corporation is involved with urban renewal in the old fashioned sense, and the Department of Transport must be interested in national policies governing railways, pipe lines, air lines and the trans-Canada highway. We ought to make certain that long distance modes of transport are knit effectively with local modes so that our transportation system may be efficient and serve those who wish to travel from one province to another, or internationally. We need an over-all approach to problems of metropolitan development.

Metropolitan planners, though often frustrated by difficulties of communicating with the provincial and federal governments, have endeavoured to adopt this approach.

• (5:20 p.m.)

We also need a cost sharing formula, or series of formulae, which will enable the different levels of government, municipal, provincial and federal, to share the cost of co-ordinated development. I suggest that we should take a similar approach, or at least a leaf out of the book of those who have been responsible for developing our rural development legislation.

I think the federal government might well bear 100 per cent of the cost of the initial over-all economic, and perhaps even engineering studies of broad metropolitan development, and that as we proceed from initial planning to the final construction phase, the federal contribution might decline. It might decline, say, to the order of 50 per cent. So I can imagine legislation which would see the federal government contributing to the cost of a freeway through the city of Toronto, for example, to the extent of 50 per cent, with the province and the municipality putting up the other 50 per cent perhaps on the basis of 25 per cent each. However, these ratios, this cost sharing formula, or series of formulae would evolve. They would be worked out and perhaps might vary, depending upon the city, the problems facing that particular metropolitan area, the local municipal-provincial relationship, and so on. We have many examples in this country of the need for over-all planning, for an over-all approach to the transportation difficulties faced by people living in our large metropolitan areas. The city of Ottawa is a good example. Ottawa of course is our national capital. Many prominent visitors arrive in it by air. They arrive at an excellent, up to date international airport, but their passage between that airport and the centre of the city is beset by all manner of difficulties. Clearly no one authority has been responsible for ensuring that an adequate, appropriate twentieth century avenue of approach be designed for servicing Ottawa.

In a few years people will be able to travel across entire continents in a few hours. But it will take them the best part of an hour to reach the centre of the city, bumping along, being jolted over roads which do not compare favourably even with some of the back roads in outlying parts of the country. Obviously this is not desirable. The problem lies essentially in poor communications, and in a lack of co-operation between our several different levels of government, federal, provincial and municipal in this country.

I contend that in the last analysis the responsibility must lie with the federal government because I would imagine that more than 50 per cent of those who are travelling from the Ottawa airport to the downtown part of the city are people who originate their trips entirely outside the province of Ontario. Certainly they have come great distances. They are interprovincial travellers, perhaps even international travellers, and I think we can do better.

We have a similar problem in the city of Vancouver today. The new international airport there located on an island is being developed on an appropriate scale. The construction of the new airport is being carried out by the federal Department of Transport. A beautiful new two-lane highway leads from that nearly completed building to the north arm of the Fraser river and there it stops, and there it will be stopped for a period of several years because it has not been decided what formula will be used, or indeed if there will be any co-operation whatsoever among the federal government, the provincial government of British Columbia and the city of Vancouver.

We need a tunnel under the north arm of the Fraser river to bring the traffic from the airport to downtown Vancouver in a matter of 15 to 20 minutes. As it is, traffic goes over a narrow swing bridge which sometimes is

opened for river traffic and may remain open for half an hour or more at a time. This is hardly good enough. Obviously this constitutes a vacuum. We have a lack not only of co-operation but of vision, a lack of over-all planning. We have a need for co-operation, and I believe we need to have greater initiative shown at the federal level in order to obviate problems of this kind.

These are only two specific examples. There are undoubtedly many other places served by excellent national modes of transportation, such as Air Canada, C.P.A., the C.N.R., pipe lines and so on which face similar problems. When the air line has delivered its passengers near the city, when the rail line has unloaded its passengers near the major metropolitan centre, the passengers are immediately confronted with difficult problems of transportation. The rest of their journey is difficult. But it need not be difficult. These inconveniences are time consuming, and time means money. This means inefficiency, it means we are less productive than we might be.

Having so few people and such great distances it is a shame that, with the benefits of modern technology which tend to reduce the penalty of distance, we are still living with a penalty of distance in Canada which is man made. It is a penalty of distance which is largely confined to our big metropolitan areas. It is within our ability to solve, but the initiative must rest in good part with the federal government to help tidy up the situation.

I suggest that basically the federal government take just as comprehensive an approach to the problems of urban development as it has taken to the problems of rural readjustment and development, that it take a comprehensive attitude, that it take a constructive attitude, that it be not too afraid of provincial and local jurisdictions, that it move into what is obviously a vacuum, and where the local jurisdictions are both willing and financially capable to assume their appropriate roles, they will certainly do so.

We do need at least at the federal level a body of expertise, a repository of information. We require not only research but a group of high level planners, if you like, who can be consulted by our local planners in order that, nationally we may do more efficiently what we would otherwise have to do separately and sporadically in various metropolitan areas across the country.

I now want to focus my observations more directly on the problem of transportation, particularly highway transportation in our

[Mr. Davis.]

cities. We will undoubtedly be building more throughways. We may also in the fullness of time be concerned with the redevelopment, that is the establishment of new modes of rapid transit in Canada. We shall have to pay for these new developments and they will be very expensive developments.

Anyone who has visited the city of Los Angeles, that great and sprawling megalopolis with a population roughly half of that of all of Canada, cannot help but be appalled by the vast acreage of pavement, of roads, streets and highways, which extend throughout the city. I am told that as much as 25 per cent of the total land area of the city of Los Angeles is paved over. We can learn from the experience of Los Angeles.

Recently I read an article attributed to two engineers, one of whom used to live in my riding in Vancouver. I see they are now both resident in Toronto. In the article, which appeared in the *Globe and Mail* on September 9, 1966, they are quoted as saying to the Good Roads Association of Canada that:

> Canadian urban areas are moving toward a density of 6,000 persons to the square mile.

They go on to say:

> A circle of ten miles radius at this density contains 1,800,000 persons; within a radius of 100 miles there would be 180 million persons.

This is the sort of megalopolis toward which we are moving. They go on to say:

> Irrespective of the size, it can be served well by a simple grid of high-standard transportation corridors at approximately three-mile spacing, containing immediately high-standard freeways, but with provision for future automatic ways and/or transit. In addition, there are urban arterials at one-mile spacing.

• (5:30 p.m.)

They go on to say that these transportation facilities require about 18 per cent of the land. In their view efficient transportation arrangements might reduce the figure of 25 per cent for Los Angeles to 18 per cent for Toronto. One can imagine the immense saving not only in land but also in money, time and materials if planning on this scale were commenced at a relatively early date in the history of our major cities.

They also say that the total capital investment for transportation facilities is about $500 per capita, assuming the land to have been purchased before development. They say that distributing this cost over 20 years gives $25 per capita per year, which is less than the current expenditure on urban roads and streets in Canada. In other words we can have a better system of transportation in our

urban centres for the same number of dollars which we are spending today on what is a manifestly inefficient system.

Piecemeal additions to our transportation complex will not do. This is expensive, inefficient, frustrating and time consuming. With some foresight, co-operation, by comparing notes, and by using the best information available from other cities and other parts of the world, we can do better. We can have the best in the future for the same number of dollars which we are spending on urban transportation today.

The hon. member for Hamilton West (Mr. Macaluso) who spoke on the subject of urban development and transportation today has given a good deal of thought to this subject. He has spoken on other occasions. At some length he has told us about the impact of the motor vehicle on the lives of the people, not only of Canada but throughout North America, and in the other more advanced parts of the world. He has told us how this has tended to decentralize construction, how it has affected land values and how it has led to the downgrading of the core areas of our large cities. He has also told us how, with a properly planned transportation system, we can not only speed up communication but make a better use of our land, improve the mobility of the people living in these areas and extend to them more opportunities for a better life in the future.

I should like to refer briefly not only to the expenditure side, but also to how we might well pay for these developments. I think that, in the main, the amendments to the National Transportation Act which were passed during the last session were well advised. One aspect of them with which I heartily concur is that the principal modes of transportation should be self-liquidating; that is, they should pay for themselves by revenue garnered from that form of transportation. This in itself should be enough to pay for the means of transportation. In other words, wherever possible we should pay as we go, rather than subsidize the development by placing a tax burden on other forms of economic activity.

So, continuing on in this vein, I think that on our new throughways, arterial roads, highways within cities, tunnels under harbours and so on, we should either charge tolls or levy other taxes on the users of these new facilities. I read with some interest a recent speech given by the Minister of Finance (Mr. Sharp). He said he was told that property taxes in Canada in relation to income are higher than they are in any other advanced country of the world.

We cannot load too much more on to property, nor should we tax unduly improvements to property. We should not discourage people who wish to improve their homes, factories, office buildings, and so on. We should levy the tax on those who use these transportation arteries. The type of tax I have in mind is the tax on gasoline. A tax on gasoline and diesel oil was referred to and indeed recommended in a recent report in Quebec.

I think we might look to the United States for a good working example of how to finance these transportation arteries. I am now referring to a good textbook on the subject of urban transportation entitled "Urban Transportation; The Federal Role". The author is a man by the name of Smerk, and it was published in 1965 by the Indiana University Press. In the United States there have been numerous pieces of legislation dealing with highway construction, road construction, urban renewal and, latterly, federal assistance for the development of highways and throughways within municipalities.

On page 131 I read that in the mid 1950's the United States embarked upon the construction of the national system of interstate and defence highways, under the terms of the Federal-Aid Highway Act of 1956. An interesting feature of the act of 1956 was the establishment of the highway trust fund, marking the first time that a tax income from motor vehicles and highway expenditures had been linked. The aim is to make the highway program self-financing. A recent federal publication in the United States, as quoted in this publication, states:

> The federal aid highway program operates on a pay as you go basis and its cost is paid entirely by highway users. No revenues from general taxes, such as the income tax, are used to finance federal aid for highways. The federal tax on motor fuel and certain other highway-related taxes go into a highway trust fund which provides the money for the federal aid payments to the states.

The order of magnitude of these expenditures is very interesting. It is very considerable and runs into billions of dollars. These funds represented nearly 50 per cent of the $7 billion invested in the construction of roads and streets by all levels of government in the United States in 1961. These figures are even higher today.

The Acting Speaker (Mr. Richard): Order. I regret to advise the hon. member that the time allotted to him has expired.

Mr. Heath Macquarrie (Queens): Mr. Speaker, in my first words to this crowded, hushed and expectant chamber I should like to congratulate the mover of the address in reply, the hon. member for Burin-Burgeo (Mr. Jamieson) upon his most impressive and interesting address. As one representative from the province where confederation all began 103 years ago, I should like to say that we welcome his province, the latest province to join confederation. I hope it will not be the last. I hope that in the future there will be other provinces and that they too will be islands. I wish also to congratulate the seconder, the hon. member for Nicolet-Yamaska (Mr. Côté) and say to him that while he may not have been so extensive in his remarks as the mover he did show a great deal of daring because no timid man would go out of his way to exalt the agricultural policies of this government. I would be loath indeed to try to convince the potato growers of Prince Edward Island of the excellence of the said government's policies.

There is a general tendency to scorn and denigrate this particular type of debate, the throne speech debate. Members of the press constantly say that it is a case of droning on and that usually it gets worse as it goes along. As I am the last speaker today I know where that places me. Some say it is a waste of time. I do not make such a suggestion; nor do I welcome the idea that the throne speech debate should be curtailed, although I am not by any means one of the most loquacious men in this parliament.

• (5:40 p.m.)

We are here as a representative assembly and representative government antedates responsible government. We are not here as a legislative mill for the executive arm, but here because a number of Canadians freely elected us to be here, and we cannot serve them unless we are able to speak freely once we get here. This is of course what indirect democracy means. I suppose if one wanted to look at it studiously he would find that much of the legislation which finally emerges as the outpourings of the government began with the suggestion of some humble private member whose voice went unheard year after year and was finally picked up by some government.

I agree with what the member for Winnipeg South Centre (Mr. Churchill) said this morning, that we must be ever zealous of the rights and privileges of private members, and I have detected during my ten years here a continuing encroachment in this regard. Let me say right now that I for one have no intention of accepting during this session that development which occurred in the last session, the continuous obliteration of the private members hour. All sorts of interesting things were on the order paper last session but we never had a chance to discuss them.

Of course some improvements in our procedures are necessary. I am a Conservative, but I am also a progressive, but I should like to have some reasonable conviction that a change is also an improvement before I want to make that change. Some improvements have been discussed by members well versed in our rules. I think we must reach the stage when we have a fixed adjournment. There is nothing in my opinion more degrading than the constant dangling before us of an adjournment, to which we have been subjected for the last several years. I find this altogether degrading, that we must do such and so or we will not get out. No schoolmaster would treat underclass children in that particular way.

Since I have been here we have spent 25 or 27 sitting days on this foolish process of waiting for votes to be taken. Again let me say that I am in favour of the electronic voting device.

The lengthy speech from the throne this year dealt with things other than announcements of government policy. I think that is commendable and satisfactory. Surely this is a time to branch out and outline a sort of state of the nation address. But why did it have to be so loquacious; why did it have to be so long, and why did it have to be so verbose? I read somewhere that it was the cornucopia of government planning. I think of a different metaphor, that it is the warehouse of second hand goods.

One thing I did not hear in the speech from the throne was the pronoun "my". Down through the years when the head of state opened parliament under our system he referred to "my" government, and "my" ministers. One observes in this long speech the expression "the" government. What is the reason behind that change? The Governor General is in fact the head of state under the Queen; he is the apex and all the rest under our constitution comes under him. I am wondering about that change. Surely it was not accidental, and if it was not accidental, then what does it mean? Does it suggest that the role of the Governor General is less significant? Does the word "the" instead of "my"

[The Acting Speaker (Mr. Richard).]

suggest a separation of the vice-regal office from the government process? I hope not.

I am not what one would describe as an emotional monarchist. I do not get emotional about the concept of monarchy. But I am a rational monarchist, because I think this is the system that works best in our particular type of society. If there are those in this country who believe that some other system is better, and down through the years there have been those, let them say so. Let us look at the issue. I do not quite agree with my colleague, the hon. member for Queens (Mr. MacLean), that if Canada became a republic I would go somewhere else. Probably I would rather be in a republican Canada than somewhere else. But I should like to know if we are moving in that direction, and I want to have a chance to say that I think a monarchy is better. I want this whole thing freely and openly discussed. I do not want to be subjected to subtleties, subtleties and still more subtleties which move us toward a lack of appreciation for the monarchial system, because I think it is one of the things that makes Canada unique among the North American nations, and one of the things that makes our system as good as it is in many, many ways.

There have been discussions about constitutional matters, and we heard a most excellent speech yesterday by the hon. member for Peace River (Mr. Baldwin) on this very subject. Quite typically, not a word of that speech was reported in the press. It is appropriate that we discuss the constitution during this centennial year. We must, in any dynamic society, look at our governmental structure and constitutional framework to see wherein it needs change, and the compulsion to look is all the greater in a federal state.

We must study our constitutional apparatus, and the biggest part, but not the only part, is the B.N.A. Act. It has been said that this is not a very thrilling document, and many say it is inflexible and rigid and does not excite, like the United States constitution or like some of those great constitutions which some new republics have drawn up—and ignored. However, it has provided a valuable framework upon which, with great difficulty, has been constructed and retained, a splendid and varied political community whose hundredth birthday we are celebrating this year.

I confess to a little impatience sometimes with those who begin their constitutional discussions by suggesting that the B.N.A. Act be thrown out. Some suggest that we should have a Canadian document: Let us have something that is made in Canada, they say. The B.N.A. Act is a Canadian document. By geography it may have been completed in the United Kingdom but its inspiration came from Canadians. Sir John A. Macdonald said that 90 per cent of it was decided in Charlottetown. It was made by Canadians for Canadians and it is a worthy document. Let it be changed. Perhaps after open discussion it may be totally amended. But let us not look upon it as a kind of strait-jacket in which we cannot flourish. Indeed it has been changed many times. My maritime forebears made many changes in the subsidy provisions, and we should make a lot more or we are going to be in a bit of trouble.

I think we are not facing up to the importance of our constitutional problems. It would be a most unfortunate thing if in this centennial year our euphoria led us to believe that everything was fine and that all our problems were in the past. I think we would celebrate our confederation more realistically if we recognized our problems, that they exist, and that there are difficulties and jurisdictional problems of great magnitude.

We must begin our second century with a firm determination to deal with some of these constitutional problems and, as many of my colleagues in this house have said time and time again, we must have greater federal leadership in this field. Months have passed since the Fulton-Favreau formula was torpedoed. While I was never so fearful of that as some people were, I was most distressed that nothing was suggested in its place. Month after month we have asked what is being done, and month after month Canadians have looked for federal initiative. We all know what happened. It was left, incredibly, for a provincial premier and for the opposition in this house to take the initiative in this matter. Premier Robarts called for a Confederation of Tomorrow Conference and his call was treated with pained petulance by the Prime Minister of this country.

• (5:50 p.m.)

Now, finally, we hear that some gesture is to be made on July 5 at a time when the premiers are being sworn in as members of the privy council. We learn there will then be a brief discussion of some of these matters. Surely there is no connection between the privy council oath and that day. Surely this is not an indication that the federal government

wants to wrap an even heavier cloak of secrecy around dominion-provincial discussions. I think that is one of the things that has been troubling this country in recent years and months; far too many things are discussed behind closed doors by dominion and provincial governments. We here and in the legislatures of the provinces, know nothing about them until a *fait accompli* is presented.

I like the suggestion that has been outlined by our amendment and set forth as a practical plan of action by Premier Robarts. He is able to do something about it. In this house our voice will not be heeded. Happily, however, Premier Robarts in his position of executive authority can take an initiative. He has called his confederation of tomorrow conference and has made preparation for it. I would suggest that the documents prepared at his request by some of the leading constitutional experts in Canada make the finest contribution I have seen in many, many years to this discussion of federal-provincial matters and constitutional problems generally.

I like Premier Robarts' suggestion, not only because it has followed careful preparation, the kind of preparation that we called for time and time again when we asked that a committee be set up to look into this matter—how often have we pleaded for that—but because he plans a conference in which the public, who after all have some interest in this matter, will be aware of the discussions and decisions. I should like to quote from the *Globe and Mail* of today:

> Mr. Pearson, who prefers to approach constitutional change in private, so that the people do not know their future until it is upon them, may be dismayed at the thought of a frank and open discussion, however friendly. Perhaps it should be pointed out that while this may not be the way of diplomats, it is the way of democracies.

That is a very, very fine appraisal of a very, very important matter. I hope that the government—perhaps it is a faint hope—will not be content with putting forward some gesture which may seem to take the edge off an extremely good suggestion that has been coming from the opposition, or an initiative that has been taken by the premier of a province. I hope the government will seriously, regardless of the source from which the idea came, take every means possible to bring men of good will and legislators from the provinces together, and with the spirit of 1867 but the problems of 1967 will use the techniques that are the tools of the politician —free, frank and full discussion. I have faith in politicians. It is so easy to denigrate them. We are used to being caricatures. But as a very distinguished Canadian said not long ago, it was the politicians who made this country. Surely it is the politicians who can make it greater.

But let us have an initiative. Let us say that we must take a full look at our constitution. Let us draw in all the best ideas from the provinces, and let us start it right away. This is my appeal to the government. There is nothing better we could do for our country than improve its constitutional apparatus. I know that from this part of the house there will be no lack of co-operation. I think the record of the many things that have been said in recent years indicates that there will be no lack of valuable and sound ideas. Let us all get together. Let us have a committee of this house study the problem. Let the hand of Premier Robarts receive the handshake that was mentioned the other day; but more than a handshake. Let us not fret about whose idea this was. Let us participate fully in Premier Robarts' conference and move on to newer ideas and fresher initiatives. Perhaps if that is the result we can forgive all the prolixity of the speech from the throne.

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

HOUSE OF COMMONS

Monday, May 15, 1967

The house met at 11 a.m.

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DESIGNATION OF MINISTER, POWERS OF BOARD, ETC.

Hon. Robert Winters (Minister of Trade and Commerce) moved for leave to introduce Bill No. C-106, to amend the Canadian Wheat Board Act.

Motion agreed to and bill read the first time.

STEVEN TRUSCOTT

PROVISION FOR IMMEDIATE GRANTING OF PAROLE

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. C-107, for the parole of Steven Murray Truscott.

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill as its title indicates is to give parliament an opportunity to express its will that a parole be granted forthwith to Steven Truscott. The bill does not dispute the opinions or decisions of the courts in respect of either the question of guilt or innocence, or the right of Steven Truscott to a new trial. However, it would grant him an immediate parole without prejudice to his right to continue to seek a new trial or to pursue any other legal course available to him.

Motion agreed to and bill read the first time.

• (11:10 a.m.)

NATIONAL MUSEUMS

MEASURE TO ESTABLISH CORPORATION FOR ADMINISTRATION

Hon. Arthur Laing (for the Secretary of State) moved the first reading of Bill No. S-2 (from the Senate), to establish a corporation for the administration of the national museums of Canada.

Motion agreed to and bill read the first time.

CANADIAN CITIZENSHIP ACT

AMENDMENTS RESPECTING RESIDENCE REQUIREMENTS, APPEAL COURT, ETC.

Hon. Mitchell Sharp (for the Secretary of State) moved the first reading of Bill No. S-4 (from the Senate), to amend the Canadian Citizenship Act.

Motion agreed to and bill read the first time.

TRANSPORT

PROVISION FOR REGULATION OF SUSPENSION LINE DEVICES

Hon. J. W. Pickersgill (Minister of Transport) moved the first reading of Bill No. S-7 (from the Senate), respecting interprovincial and international teleferries.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

SPEECH OF PRIVY COUNCIL PRESIDENT ON VIET NAM—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, before the orders of the day are called I wish to move a motion. Unfortunately I was unable to secure the translation into French, and I offer my regrets to the house. It is the first time this has happened to me, but the translation was not returned to me in time. I move, seconded by the hon. member for Winnipeg South Centre (Mr. Churchill):

That the house do now adjourn under standing order No. 26, on a matter of urgent public importance, namely the crisis in international confidence brought about by the speech of the President of the Privy Council on Saturday last in Toronto, which constitutes a public declaration of policy of the gravest national and international significance in that it gives the greatest of encouragement to the communist world and reveals deep enmity toward the policy of the United States administration with regard to the war in Viet Nam, and will result in further and accelerated deterioration in Canada's relations with the U.S.A.; and furthermore, is a travesty on this house which has been denied the enunciation of policy of the government which was made in the said speech outside of this house while parliament is sitting.

Speech by President of the Privy Council

Mr. Speaker: Will the right hon. Leader of the Opposition address the Chair and the house on the question of urgency of debate? I have at this point to remind hon. members again, as I do from time to time when such motions are made, that what has to be debated before the motion is accepted by the Chair is whether there is urgency of debate in the sense that it is proper for the Chair to grant the adjournment of other business of the house for the purpose of debating a specific question.

This is the only matter which concerns us at the moment, that is the urgency of debate on this particular matter and the advisability of adjourning the ordinary business of the house for the purpose of permitting such a debate.

Mr. Diefenbaker: Mr. Speaker, this motion is made in order to give the house the opportunity to discuss a matter which is of transcendent importance nationally and internationally, and to secure the views of the Prime Minister and the Secretary of State for External Affairs, whichever one is directing the foreign affairs of our country.

It might be said immediately that this matter can be discussed in the debate that is now before the house. This is true enough; it can be discussed, but this house has the right to know from the Prime Minister and the Secretary of State for External Affairs what is the government's policy on this question, not the expurgated brush-offs that we have been receiving lately.

Now that the matter has been brought firmly to parliament in the address delivered by the President of the Privy Council I take it that what he enunciated was government policy. To accept any other conclusion in that regard would be to disregard the fixed constitutional principle that cabinet solidarity denies individual ministers the right to enunciate policies. If Your Honour were to say this matter could be dealt with in the debate now before the house, that would in no way clarify the situation. Parliament and the country have the right to know whether the minister was putting forth government policies. The wording of his speech indicates that it was written elsewhere or by those close to the Department of External Affairs. It has all the appearances of having been inspired by the government in order to create a smokescreen in respect of policies of this government. It has all the outward indicia of being a reflection of government policy which this house has not been able to secure.

We have the right to know whether this was a declaration of policy, because no minister can sit in the cabinet and make ad hoc statements on policy contrary to the views of the cabinet, and I must refer to one or two of the statements made in order to found my argument. I wish to read two quotations from that speech, which was delivered to the Prime Minister and the Secretary of State for External Affairs. At page 2 it reads:

> I suppose the answer to these queries—

That is about the world situation in so far as Viet Nam is concerned.

> —depends upon our individual consciences—

That statement, sir, is a denial of parliament. Then there is the policy enunciated on page 3:

> • (11:20 a.m.)
>
> To me it seems that U.S. policy in the Far East has been a succession of unhappy errors beginning with a gross misconception of the weakness and corruption of the Chiang Kai-shek régime in China and then failure to appreciate the relative strength of Mao Tse-tungs' communist government which took power in 1949.

That statement is a slap in the face to one of our allies as well as to a member of the security council of the United Nations. Then there is this statement, which is contrary to the enunciation of government policy by the Secretary of State for External Affairs last June:

> The U.S., for its part, has become enmeshed in a bloody civil war in Viet Nam which cannot be justified on either moral or strategic grounds.

Sir, if ever there was a circumvention of constitutional policy that is it, because it is the antithesis of what the Secretary of State for External Affairs said on June 10, 1965. I refer merely to the date; those who wish to look it up will find that the minister took the stand that this was not a civil war. Now we have a minister occupying the No. 1 position in the cabinet, the President of the Privy Council, saying this is a bloody civil war.

Then he went on to give his views with regard to bombing, burning and extermination by a foreign power which is taking place in Viet Nam. He said:

> In this war, the strongest nation in the world has taken sides in a savage civil struggle and is using its tremendous power to force the other side to quit.

Such statements bring hope to communists in every part of the world, and this is an enunciation of policy by a man occupying a high and honoured position. Then he refers to

the fact that United States troops are obeying orders, as is their duty, and says:

> Unfortunately, in a war like this, there are bound to be acts of barbarism on both sides ... If the escalation of the war continues, as seems probable, and the North Vietnamese do not give up soon, one may wonder if the United States will be driven to use nuclear bombs or to spread germs or exterminating chemicals.

If ever there was a case of urgency, this is one. If we have this discussion in the debate on the speech from the throne we can talk but we cannot get an answer from the government. Finally the minister said this:

> From Canada's standpoint the grave dangers in the present situation are fourfold:
>
> 1. The present conflict may reinforce a natural distrust of all westerners and of all white people on the part of millions of non-whites throughout the world—
>
> 2. The second danger is that Russia and China may become reconciled as a result of their opposition to U.S. action in Viet Nam—
>
> 3. The third danger that could result from a further escalation of the war is the direct involvement of red China—
>
> 4. Finally, there is the gravest danger that if the United States uses nuclear weapons, the Russians would retaliate immediately.

Then he concludes:

> I have read the suggestions put forward by U Thant, by our own Prime Minister, by the Honourable Paul Martin, by General Gavan, and by other thoughtful and informed Americans. They do not differ in essentials.

If ever there was a case for an instant debate, Mr. Speaker, so this government can tell us where it stands, so we may bring out from the hidden recesses the true facts of this government's policy, this is it. I say there should be an immediate debate for that reason, and because of the gross travesty on the rights of parliament when policies are enunciated outside this house which are a direct contradiction of what the Prime Minister and the Secretary of State for External Affairs has said in the last few weeks.

Mr. Speaker: Order. The purpose of the right hon. gentleman's intervention at this point was to assist the Chair in determining whether there was a matter of urgency of debate, according to the standing orders and the practice of this house. I may tell hon. members that I am ready to make a decision now. I do not, of course, want to stifle debate in this regard, but I can assure hon. members that what they will be saying now will not change my mind, and thus cannot help the house in any way.

A motion has been made. It is for the Chair to determine whether it is acceptable, and I am prepared to reach a decision. However, if some hon. members feel they should contribute either in opposing or supporting the motion that is now before the house I will hear them for a moment.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, though the members of this party are diametrically opposed to the terms in which the motion is couched, I think there is a case for urgency of debate with regard to the speech by the President of the Privy Council, as well as for a statement by the government with reference to Canada's position in connection with the war in Viet Nam.

The President of the Privy Council has made a statement. It is a statement we welcome, one which we think sets forth with very great clarity and realism the situation which now obtains in Southeast Asia. We feel the government should give an opportunity at the earliest possible date for a full discussion of this matter in order that the house may have an opportunity either of endorsing or repudiating the statements which have been made by the President of the Privy Council.

In his statement in Toronto he set forth the position very clearly when he said "that Canadians in all walks of life and in all political parties, including especially the Prime Minister and the Secretary of State for External Affairs, should do all they can to press the United States to halt the bombing." "If we fail to do this," he said, "we must be prepared to share the responsibility of those whose policies involve the greatest risks for all mankind."

It seems to me, Mr. Speaker, on the basis of that clear, clarion call to all Canadians and to members of all political parties, that some opportunity ought to be given to this house to echo that call. We are not going to have an opportunity to do this, Mr. Speaker, unless the government is willing to initiate debate on the whole question. For some time we have been pressing the Prime Minister to introduce a motion in the house in order that parliament as a whole, rather than the government, may state its position on the situation in Southeast Asia. Since the government has failed to do this it seems to me that the speech made by the President of the Privy Council offers this house an excellent opportunity to have a debate and state its position. We would hope, of course, that the statement of our position would not be in the terms of

the motion which has been presented but would be a statement endorsing the position which the President of the Privy Council has taken. In our opinion this would express the view of the great majority of the Canadian people.

Mr. Speaker: Order, please. I want to repeat to hon. members that in my view they are not assisting the house too much at the moment by expressing views either for or against the admissibility of the motion. There is before the house a question of procedure which involves whether there is an opportunity to debate this question within a reasonable time. That is what the Chair has to decide. To my mind the solution to the problem is easy enough, but as I say I will certainly hear further representations or submissions on the point if hon. members desire to make them.

• (11:30 a.m.)

Hon. Robert Winters (Acting Prime Minister): Mr. Speaker, in the absence of the Prime Minister, who is in Montreal, and of the Secretary of State for External Affairs, who has been detained with the president of Czechoslovakia who is at present visiting Canada and whom I had the honour of seeing earlier this morning, may I say this. I discussed this important matter with the Prime Minister, and the Secretary of State for External Affairs, as well as the President of the Privy Council. The President of the Privy Council asserted again that what he had said were his own views.

Mr. Diefenbaker: But a minister cannot do that.

Mr. Winters: The Prime Minister and the Secretary of State for External Affairs told me that I was free to tell parliament—and I am sure parliament understands this—that the government's position has been clearly set out by the Prime Minister and the Secretary of State for External Affairs, and remains unaltered.

This question ought not to be debated at this time, I submit, under those rules for debate referred to by the right hon. Leader of the Opposition. Most hon. members, I think, would also regard it as inopportune to debate the matter when the Secretary of State for External Affairs and spokesmen for the government on this question of policy cannot be here. On those grounds I submit that this would not be an opportune time to debate this subject.

[Mr Douglas.]

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I believe the time has come for parliament to take a stand on the war in Viet Nam and I suggest the motion moved by the right hon. Leader of the Opposition (Mr. Diefenbaker) is one which has great value, because it would permit members of parliament to made their views known clearly on what is now going on in Viet Nam.

And when the Leader of the Opposition, says for instance—

[*English*]

—namely the crisis in international confidence brought about by the speech of the President of the Privy Council on Saturday last in Toronto, which constitutes a public declaration of policy of the gravest national and international significance in that it gives the greatest of encouragement to the communist world—

[*Translation*]

Mr. Speaker, that is the most important point we have to debate, for we often hear virulent attacks against the Americans. The President of the Queen's Privy Council for Canada (Mr. Gordon) precisely repeated those charges last Saturday, but we do not hear anything, for instance, about the communist involvement in that war.

[*English*]

—and reveals deep enmity toward the policy of the United States administration with regard to the war in Viet Nam, and will result in further and accelerated deterioration in Canada's relations with the U.S.A.; and furthermore, is a travesty on this house which has been denied the enunciation of policy of the government which was made in the said speech outside of this house while parliament is sitting.

[*Translation*]

Mr. Speaker, our group also endorses this motion of the opposition to the effect that we should, at the earliest possible time this very day if possible, discuss this most important question, because Canada should take a stand, and the whole world should know where Canada now stands in the continuing war in Viet Nam.

For these reasons, Mr. Speaker, I believe this discussion is truly urgent and that such a debate would surely bring some enlightenment.

[*English*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, it is unusual to set aside the order of business in this house to discuss a matter of urgent public importance. Occasionally that does happen, and obviously

there must be a serious reason for that to happen or we should continually be changing the business unexpectedly. In this instance we are justified in asking for the normal business to be set to one side to discuss a matter which has been accentuated by the speech the President of the Privy Council made on Saturday.

The speeches on the address in reply to the speech from the throne normally are diverse, covering as many subjects as are covered in the throne speech. Though international affairs and the war in Viet Nam might be dealt with during the next few days, it is significant that the government earlier refused to bring forward a resolution which would permit debate on this matter. The right hon. Leader of the Opposition on Friday urged the government to provide this opportunity for debate.

The President of the Privy Council, doing something that is most unusual for a cabinet minister, has made an enunciation of government policy without giving prior information about his intention to the House of Commons. The seriousness of this action requires that the attention of this house be focused on it. When the Secretary General of the United Nations a few days ago warned the world that there was grave probability of a third world war, many people in this country became disturbed. The President of the Privy Council has taken a stand on behalf of the government which is diametrically opposed to the policy of our closest friend and strongest ally, and jeopardizes Canada's position in international affairs and her alliance with the United States.

Those are some reasons—and there are others—for this matter which is of interest to parliament and the nation to be discussed today, that the government may clearly and decisively answer our questions on this disturbing situation.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I shall be brief on the point of urgency. In my view, and this is going to the pith and substance of the question, the Secretary General of the United Nations, as the hon. member for Winnipeg South Centre stated, last week issued a clear warning to the world about the possible effects of the war in Viet Nam.

When this house convened to debate the speech from the throne the Prime Minister enunciated government policy, and it was clear that he led the house. Nevertheless we find the President of the Privy Council making statements in Toronto that are diametrically opposed to enunciated government policy, and that is not an isolated incident. Though the Registrar General had not the forthrightness of the President of the Privy Council, he spoke over the week end in Montreal and his speech was of a tenor that was diametrically opposed to enunciated government policy.

What happens is this. The Prime Minister enunciates policy in this house; then—and this is par for the course—he sends out his go-go ministers to attract the votes of the new life, the younger generation, on the hustings. That is cynical politics, as cynical as one may ever see it, and the younger generation will not be taken in.

My position is this. We do not have the luxury in Canada of the Prime Minister saying one thing and ministers another. The Prime Minister made a policy statement—

An hon. Member: On Viet Nam?

Mr. Grafftey: On Viet Nam and on the international situation, and the Canadian people at this hour of tension want leadership. If there is a gap between leadership and what the people are thinking today it is because of this sort of cynical performance.

• (11:40 a.m.)

Mr. Speaker, we appeal now as we have never appealed before. This subject is too important to be allowed merely to take its chance in the pot luck of the debate on the address. Why is the Prime Minister not here today after one of his senior ministers has contradicted statements made by the Secretary of State for External Affairs regarding one of this government's most important policies? Where is the Secretary of State for External Affairs? Where is the Registrar General? The Prime Minister is saying one thing in this house and the Registrar General is saying another. We must debate this today; we cannot take pot luck in the debate on the speech from the throne. The entire population of this country is waiting for leadership in a tense situation.

I ask for your protection, Mr. Speaker. I ask that you allow this debate to go on so as to provide an opportunity for a clear cut statement to be made. I for one feel, as a backbench member, that we should adopt many of the features of United States government, but I do not believe a minister should enjoy the luxury of speaking as a private citizen on a question of government policy.

We cannot allow that to happen if this system is to work at all. The Registrar General having made the speech he made in Montreal; the President of the Privy Council having made the speech he delivered in Toronto, and in the light of the statements made on this subject last week by the Secretary of State for External Affairs and the Prime Minister, I say the time to debate this issue is now, and I am sure I am speaking for the whole of the Canadian people even if the government is not.

Mr. Speaker: I thank hon. members for their views and for the assistance they have extended to me. However, as I said at the outset after listening to the argument put forth by the Leader of the Opposition, I felt that in view of the precedents and the long established procedure accepted by all hon. members, for perhaps a hundred years, and in view of what is contained in Beauchesne it was rather obvious what decision should be reached by the Chair in the circumstances. I even hesitate to read again the well worn citation from Beauchesne's fourth edition, citation 100 (3):

"Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate"—

This indicates that an adjournment of the ordinary business of the house is to be granted when there are no other opportunities for debate. I have no statistics to support this, and I have not looked at the precedents, but I doubt very much whether at any time in the history of the Canadian parliament the Chair has granted a motion for the adjournment of the debate on the speech from the throne for the purpose of initiating another debate. My understanding is that the debate on the speech from the throne is intended precisely to enable all hon. members to debate exactly what they wish to debate. Hon. members have all agreed that this is a matter of extreme importance and extreme urgency. In an hour or so they will all have an opportunity to debate for the rest of the morning, this afternoon and this evening the subject which has been brought to the attention of the house by the Leader of the Opposition. Representatives of all parties can do this, one after the other.

The right hon. gentleman said parliament has the right to know whether the minister was enunciating government policy, and the right to know what government policy is. He may be quite correct in this suggestion; I certainly have no right to argue with that proposition at all. Indeed, the Leader of the Opposition has the right to ask of the Prime Minister or of someone speaking in the name of the government whether a minister speaking outside the house is enunciating the policy of the government. It is the right of any hon. member to ask such a question during the question period. But I doubt whether the granting of this motion would make it easier or more possible for the government to enunciate its policy, or whether the government would wish to do so during a debate brought about by a motion for adjournment under standing order 26 as distinct from a debate provided under the rules for consideration of the speech from the throne.

For these reasons I see no other possible determination of the matter on the part of the Chair than to refuse the motion advanced by the Leader of the Opposition.

EXTERNAL AFFAIRS

VIET NAM—SPEECH BY PRESIDENT OF PRIVY COUNCIL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Your suggestion, Mr. Speaker, that a question might be asked at this time prompts me to do so. I would ask the President of the Privy Council whether the Prime Minister has given members of his cabinet the right to say what they want to say regardless of whether it represents government policy. He made the statement in the course of a speech copies of which were delivered to the press, to the Prime Minister and to the Secretary of State for External Affairs, that "the United States for its part has become enmeshed in a bloody civil war in Viet Nam which cannot be justified on either moral or strategic grounds". Does this represent any change in the opinion of the government as expressed in the words uttered by the Secretary of State for External Affairs on June 10, 1965, when he said:

Suffice it to say that if North Viet Nam succeeds in taking over the whole of Viet Nam by force, if the rest of the world is prepared to sit back and see this happen, saying feebly that it is after all only a domestic rebellion so why not accept the inevitable, we would I think be guilty of an error of the same nature as the mistakes made at Munich, and before that, in the League of Nations.

Would the minister say whether a new code of cabinet ethics has been issued giving him this freedom? We should like to know.

Mr. Speaker: Order. I think the Leader of the Opposition misunderstood the suggestion I

made with deference, and supported I believe by precedents. It was that questions might be asked of the Prime Minister or of the Acting Prime Minister whether a statement made outside the house by a cabinet minister represented government policy. Unless the President of the Privy Council is the Acting Prime Minister this morning I doubt whether the right hon. gentleman's question can be directed to him.

Mr. Diefenbaker: On a question of privilege, everybody knew this matter would be raised, and regardless of the importance of other events the Prime Minister or the Secretary of State for External Affairs should have been here.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: In their absence I will not ask the minister whether he was uttering public policy. I will simply ask him whether there has been a new code of cabinet ethics—

An hon. Member: Cheap.

Mr. Diefenbaker: —and whether it was under this new code that the minister made those outrageous statements.

Mr. Speaker: Order. I regret that the second question is very much like the first, and is subject to the same procedural limitation.

Mr. G. W. Baldwin (Peace River): I should like to ask the Acting Prime Minister whether a copy of the speech made by the President of the Privy Council was given to the Prime Minister before it was made, and whether any attempt was made by the Prime Minister's office to get in touch with the President of the Privy Council before he delivered it.

Hon. Robert Winters (Acting Prime Minister): I can only repeat that the Prime Minister's Office and the Secretary of State for External Affairs told me the same thing, that a copy of the speech had not been seen by them before it was delivered.

Mr. David Lewis (York South): In view of the fact that the Acting Prime Minister has informed the house that he discussed the matter with the Prime Minister and the Secretary of State for External Affairs, can he tell us whether the statement made by the President of the Privy Council represented government policy?

Mr. Winters: The Secretary of State for External Affairs has stated government policy on this issue as clearly as I can recall any policy—

Some hon. Members: Oh, oh.

Mr. Winters: I think the position of the government has been made abundantly clear.

Mr. Lewis: That was not my question.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, in view of the fact that the Acting Prime Minister, in his argument and in what he has just now answered, mentioned that he had a conversation with the Prime Minister, would he now tell us whether in the conversation with the Prime Minister and the President of the Privy Council there was mention that the President of the Privy Council is going to resign again.

Mr. Speaker: Order, please.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. In view of the contents of the Registrar General's "once upon a time" speech to the convention of the Association of American Editorial Cartoonists in Montreal last Saturday, would the Acting Prime Minister inform the house whether it now is the government's intention to announce foreign policy in parables?

Mr. Speaker: Order, please.

Mr. Diefenbaker: That is what we have been getting for the last couple of years.

Mr. Speaker: I do not think it is a supplementary question.

[*Later:*]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Trade and Commerce referring to his previous remark that later this day he might ask for permission to revert to motions so he might make a more complete statement. As acting minister, at the same time will he arrange to have the Prime Minister or the Secretary of State for External Affairs here to clarify the other matter in respect of Viet Nam?

Mr. Winters: Mr. Speaker, I think the Viet Nam matter is disposed of so far as this sitting of the house is concerned, but I will convey the hon. member's question to the Prime Minister.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, can the Acting Prime Minister indicate to the house whether muzzles have been distributed among the cabinet ministers until the Prime Minister does return.

Mr. Speaker: Order, please.

[*Later:*]

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the President of the Queen's Privy Council for Canada.

When the President of the Privy Council declared in Toronto that the Americans should stop bombing North Viet Nam, did he not at that time also intend to ask the communist Chinese to stop bombing South Viet Nam?

Mr. Speaker: Order. This question is argumentative.

[*English*]

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, my question is directed to the Acting Prime Minister. Has the United States officially or unofficially, verbally or in writing brought to the attention of the government as yet the speech of the President of the Privy Council? Has there been any communication at all in this regard? Mr. Butterworth usually butts in on everything. Has he not been in on this?

Mr. Winters: Not to my knowledge, Mr. Speaker; but to assure the hon. gentleman beyond doubt I will have to take the question as notice.

INQUIRY AS TO RECOGNITION OF COMMUNIST CHINA

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Acting Prime Minister. In view of recent statements by some members of the cabinet is an announcement regarding recognition of red China imminent?

Hon. Robert Winters (Acting Prime Minister): Mr. Speaker, I can add nothing to what has already been said so clearly in this house by the Secretary of State for External Affairs.

[*Later:*]

Mr. Nasserden: Mr. Speaker, I have a question for the Acting Prime Minister. Does the government consider the confusion caused by the various statements of ministers of the crown regarding foreign policy an enhancement of Canada's image abroad?

Mr. Speaker: Order, please. The hon. member knows this question is not in order.

[Mr. Speaker.]

GRAIN

REQUEST FOR STATEMENT ON NEGOTIATIONS RESPECTING INTERNATIONAL WHEAT AGREEMENT

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 with regard to the stories which have been circulating in the press and over the radio to the effect that there is to be an increase in the price range under the international wheat agreement of some 22 cents a bushel. Is the minister in a position to give us any information concerning how the negotiations are proceeding and what the price range is likely to be under the new international wheat agreement?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I had hoped I would be able to make a statement on orders of the day, but negotiations still are going on in Geneva. I am hopeful that later this day I will be able to ask hon. members for permission to revert to motions so I may make a full statement. However, with your tolerance, Mr. Speaker, and that of members of the house, I should like to answer this question so far as I am able to do so now.

A great measure of agreement has been reached on the main issues under discussion relative to the GATT agreements. But, as all hon. members know, it is not always the main issues which determine whether a contract can be agreed to. There still are a number of details to be worked out with respect to cereals and, until they are, one cannot be certain there will be an over-all agreement. On this point, however, I remain confident.

In the light of the fact that figures have been used so widely in the press this morning I think it would be well to clarify them in Canadian terms. It has been suggested that what is being agreed to in Geneva is $1.73 per bushel for No. 2 hard winter wheat at a gulf port, and that there would be a differential between No. 2 hard winter wheat and No. 1 Manitoba northern of some 22½ cents a bushel. This would be a significant and welcome increase in the international minimum and maximum prices of specified qualities of wheat and would substantially strengthen arrangements for co-operation to maintain market stability for No. 1 Manitoba northern in store at the lakehead.

New maximum and minimum prices on this basis would be $1.95½ and $2.38½ Canadian respectively. This would represent a 21 cent increase over maximum and minimum prices

under the current international wheat agreement. The minimum price f.o.b. Vancouver would be $2.03½ and the maximum would be $2.46½.

Mr. Douglas: I have a supplementary question, Mr. Speaker. In view of the fact that the 21 cent increase, which the minister mentioned, over the price established some six years ago represents less than the increased cost to produce a bushel of wheat during those six years, has the government given consideration to supplementing the return to the farmer or is the farmer to take the loss?

Mr. Winters: Mr. Speaker, as I am sure the hon. member knows, these are simply minima and maxima within which the world price can and does fluctuate. The world price still is determined largely by supply and demand, having regard of course to the maximum and minimum referred to here.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Minister of Trade and Commerce say whether the government is giving consideration now to restoring the 17 cents a bushel which was taken away in the price two years ago, and which has caused a loss to the western farmers of $90 million a year since?

Mr. Winters: Mr. Speaker, that amount was substantially restored by the payments made last year to the western wheat growers.

Mr. Diefenbaker: Surely the minister is not saying that the payments made to the western farmers last year had anything to do with the 17 cents per bushel which was taken away from them. Surely the minister is not that serious.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I should like to ask the minister whether he does not think he should await the return of the Minister of Agriculture before he attempts to gauge the benefits which might accrue to the producers.

Mr. Douglas: Mr. Speaker, may I ask the Minister of Trade and Commerce another supplementary question. Will Canada be making a financial contribution to the 4½ million tons of wheat which will be set aside for the needy countries and financed by the western industrial nations, and if so on what basis?

Mr. Winters: Mr. Speaker, that is one of the items which has not yet finally been determined. I hope later today, however, that I will be able to include that in a statement to the house.

TRADE

ENTRY OF CANADIAN CEREALS INTO EUROPEAN COMMON MARKET

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to ask the Minister of Trade and Commerce, in view of Britain's application to enter the European common market and having in mind the position in respect of Canadian wheat entering the British market, whether there has been any additional progress made in so far as cereals entering the European economic community are concerned.

Hon. Robert Winters (Minister of Trade and Commerce): No, Mr. Speaker. The negotiations were separate from anything which might be contingent upon the British entry into the common market.

NATIONAL DEFENCE

POSSIBLE WITHDRAWAL OF CANADIAN FORCES FROM NATO AND NORAD

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to ask the Minister of National Defence whether it is the intention of the government to withdraw Canada's forces from NATO and from NORAD, as has been advocated by the President of the Privy Council in a policy speech he made last Friday.

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker, it is not. The policy remains that which was stated on behalf of the government by the Secretary of State for External Affairs when he addressed the house earlier this year.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): How are we to know what the policy is when one minister says one thing, the Secretary of State for External Affairs says another, and the President of the Privy Council says another?

Mr. Speaker: That is a very interesting question, but it appears, at least, to be argumentative.

Mr. Churchill: The answer would be interesting, too.

Mr. Diefenbaker: It may appear to be argumentative, but I am seeking information because it is difficult to know what the policy is when so many speakers say different things.

Mr. Speaker: It is rhetorical.

[*Later:*]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to direct a question to the Minister of National Defence. Was the President of the Privy Council outlining national defence policy in a recent speech calling for the withdrawal of Canadian troops from Europe under our present NATO and NORAD commitments?

Mr. Speaker: Order, please. I indicated to the house that generally speaking the procedure to be followed by hon. members asking questions as to whether statements made outside the house represent the policy of the government is to direct them to the Prime Minister or the Acting Prime Minister.

Mr. Winch: Then may I amend my question, Mr. Speaker, by addressing it to the Acting Prime Minister. Was the President of the Privy Council outlining government policy in a recent speech calling for the withdrawal of Canadian forces from Europe under our present NATO and NORAD commitments?

Hon. Robert Winters (Acting Prime Minister): Mr. Speaker, I understand that question was answered a moment ago by the Minister of National Defence.

Mr. Churchill: Mr. Speaker, my question is for the President of the Privy Council. Is it the intention of the government to withdraw Canadian forces from Europe under NATO and NORAD commitments?

COAL

ALBERTA—NEGOTIATIONS RESPECTING FREIGHT RATES ON SHIPMENTS TO JAPAN

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 Transport who has been promising a statement concerning the negotiations which are of interest to the coal operators of western Canada. Can he tell the house how the negotiations are progressing in respect of coal exports to Japan, and whether those contracts will be filled?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, the Minister of Transport is still very promising and so are the negotiations, but they have not been concluded.

FISHERIES

NOVA SCOTIA—REPRESENTATIONS RESPECTING SALMON FISHING REGULATIONS

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, my question is for the Minister of Fisheries in connection with the opening of the salmon fishing season today. Has the minister received any complaint or criticism from the salmon fishermen, particularly in the Bay of Fundy area, concerning the new fishing regulations and, if so, what was the reply?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, we have received a few complaints from individual fishermen who would like to enter this particular fishery but have not qualified for licensing. As the hon. member well knows, the commercial salmon fishery has to be restricted or at least controlled if we are to maintain this important resource for future generations and make it profitable for the fishermen who are actually engaged in this type of fishing.

I may add that this is not an entirely new regulation but the implementation of salmon licensing controls which have existed for a number of years and which have been amended in order to make them more applicable and more effective.

Mr. Bell (Saint John-Albert): I have a supplementary question. Will the minister cause these applications to be checked over again to make certain no severe hardship is being imposed on bona fide fishermen?

Mr. Robichaud: Mr. Speaker, although the fishermen who are applying are bona fide fishermen, I still insist there must be control or restriction in the number of licenses that are awarded. Every application is being looked at carefully, and if there are extenuating circumstances consideration is being given to the applicant.

NOVA SCOTIA—FEDERAL ASSISTANCE AFTER STORM DAMAGE

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I wish to direct a question to the Minister of Fisheries and I know that he is aware of the tremendous loss of lobster traps off the coast of Nova Scotia and that he has indicated a study will be made of the situation. When may we anticipate a statement of government policy which will be helpful to these fishermen in recouping some of their losses?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I know that the hon. member is well aware of the policy which exists in respect of such incidents. That policy has not changed for a number of years, and is exactly as I suggested in reply to a similar question asked last week by the hon. member for Halifax (Mr. Forrestall).

AIRPORTS

VANCOUVER—REQUEST FOR PROGRESS REPORT ON ACCESS NEGOTIATIONS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Minister of Transport. Has his department reached an agreement as yet with the government of British Columbia concerning access to the Vancouver international airport and, if not, can the minister report any progress?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, no agreement has been reached, but some discussions have been taking place and I believe I can say progress is being made.

INDUSTRY

AUTOMOBILES—MAINTENANCE OF SPREAD BETWEEN U.S. AND CANADIAN PRICES

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to direct my question to the Minister of Finance. Is the minister aware that the president of Chrysler Corporation of Canada in an address to the Calgary Chamber of Commerce said that the spread between automobile prices in Canada and in the United States is here to stay? Will the minister look into this situation to determine whether this kind of attitude is in keeping with announcements made in this house?

Mr. Speaker: Order, please.

[*Translation*]

IMMIGRATION

QUEBEC—DISCUSSIONS RESPECTING INCREASED MOVEMENT FROM FRANCE

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to put a question to the hon. Minister of Manpower and Immigration, whose star still shines bright in the political firmament.

Over the week end the minister engaged in some discussions with the premier of Quebec with regard to French-speaking immigrants. Is the minister in a position to inform the house of the results of those discussions and to announce a new policy in that respect?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I have had no discussions with the premier of the province of Quebec.

Mr. Choquette: Mr. Speaker, I should like to ask a supplementary question.

Is the minister going to have some discussions in the near future with the Quebec premier?

Mr. Marchand: Mr. Speaker, I read in the newspapers that the Quebec premier intended to meet me. I shall be happy to do so if ever he expresses that wish.

[*English*]

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct my question to another minister whose star appears to be rising, and I refer obviously to the President of the Treasury Board (Mr. Benson).

Some hon. Members: Hear, hear.

Mr. Knowles: After that I hope I will receive a favourable reply to my question. How soon may we expect government legislation implementing the recommendation of the joint committee on the public service of Canada that the pensions of retired civil servants be increased?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, the report of the committee is presently under study by Treasury Board officials. In due course I will make recommendations in this regard to the cabinet.

Mr. Knowles: May I ask as a supplementary question whether, in the event there is further delay the government will consider making any such increases retroactive?

Mr. Benson: Mr. Speaker, all aspects of the situation will be considered.

Inquiries of the Ministry

HEALTH AND WELFARE

INSULIN—REQUEST FOR PROTECTION OF USERS FOLLOWING PRICE INCREASE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of National Health and Welfare arising out of a question I asked last week in his absence, concerning the increase in the price of insulin and the maintenance of provincial support programs. Can the minister inform the house and the country whether the government is prepared to do anything to assist those users of this drug in meeting this additional burden?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I have read the hon. gentleman's question. There is now a question on the order paper in respect of insulin. It should be kept in mind that the price increase by Connaught Laboratories is the first increase by that agency in the price of insulin since its discovery in 1921. The price today is lower than it was in 1938. The director of the laboratories has stated that the price has been kept as low as possible, and that this increase is the result only of additional costs.

At the present time there is no direct federal government support for insulin users, except through sharing in the Canada Assistance Plan. I understand that two provinces do assist insulin users where necessary.

Mr. Winkler: I have a supplementary question, Mr. Speaker. I was aware of the information just given by the minister, and I have no quarrel with that statement by the director. I simply wish to ask the minister whether the federal government is prepared to offer some support where this increase in price has placed a heavy burden upon users.

Mr. MacEachen: Mr. Speaker, the federal government is assisting the provinces of Prince Edward Island and Nova Scotia in respect of insulin users through national health grants. Presumably the same method of support would be available to other provinces. I would be glad to explore this point further.

ADMINISTRATION OF JUSTICE

EXTENSION OF AMNESTY OR PAROLE DURING CENTENNIAL YEAR

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Solicitor General. Is the minister able to inform the house what progress has been made with respect to the suggestion that special consideration should be given to amnesty or parole of those persons who warrant a gesture of mercy during our centennial year?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, may I say to the hon. member with respect that I gave a written reply to a similar question approximately six weeks ago. The gist of the reply, as I recall it, was that the setting up of the National Parole Board provided for an automatic review of the sentences of all inmates of federal institutions, and consideration was not being given to granting a general amnesty this year.

PENITENTIARIES

REPORT ON CONSTRUCTION OF MAXIMUM SECURITY FACILITIES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to direct a question to the Solicitor General. It is one that surely needs an answer now in view of the imminence of calling for tenders. Could I ask the Solicitor General whether consideration has been given to the report of the joint committee of the House of Commons and Senate on the design of maximum security prisons, and will the recommendations of the joint committee be included in revised plans for the construction of the new maximum security prison at Millhaven as part of the Kingston complex?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, the report of the committee is being studied by the officials of my department at the present time.

Mr. Winch: Mr. Speaker, I have a supplementary question for the Solicitor General. Will no call be made for tenders for the maximum security prison at Millhaven before the report of the joint committee has been fully considered?

Mr. Pennell: I am prepared to give that undertaking, Mr. Speaker. We will look at this report very seriously and will consult the architects to see what revisions are necessary in light of the report of the committee.

PRIVILEGE

MR. CHURCHILL—MOTION ON ORDER PAPER BY MEMBER FOR LOTBINIÈRE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I am rising on a ques-

tion of privilege affecting the rights of parliament. My question of privilege is based on the publication of Routine Proceedings and Orders of the Day. I find at the bottom of page 21 a private member's notice of motion standing in the name of the hon. member for Lotbinière (Mr. Choquette) which reads as follows:

That, in the opinion of this house, the government should consider the possibility of symbolizing the supreme authority of this country in an authentically Canadian manner other than by the British crown and of amending the constitution accordingly.

I submit, sir, that a motion like this should never have been permitted to appear on the order paper. It is calculated to subvert the constitution, and it is in contravention of a member's oath of allegiance. I accordingly move, seconded by the hon. member for Perth (Mr. Monteith), that this motion be struck from the order paper.

Some hon. Members: Hear, hear.

Mr. Pugh: You should have had Ralph Cowan second that.

Mr. Choquette: Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. I hesitate to allow a debate on this matter. I will receive the motion written by the hon. member for Winnipeg South Centre and give a ruling on it. I will at least read the motion.

After reading the motion proposed by the hon. member for Winnipeg North Centre—

Mr. Knowles: Oh, no.

Mr. Speaker: —by the hon. member for Winnipeg South Centre, I must come to the conclusion that the motion cannot be moved at this time. There is no possible way I can think of, according to the rules of the house, by which a member can rise and propose such a substantive motion, because this is substantially a substantive motion, without due notice. The hon. member may wish to find some other way to propose this motion which would be acceptable under the rules.

There is a point of order which is entirely different from the motion proposed by the hon. member for Winnipeg South Centre. He states that the motion in the name of the hon. member for Lotbinière should not have been accepted. There may be arguments in favour of the proposition advanced by the hon. member for Winnipeg South Centre, and if he will allow me to do so I will take that point under consideration and in due course, because I do not think it is a matter of extreme urgency, render a decision as to whether it is in order to allow this type of motion to be on the order paper.

[*Later:*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I would like to ask a question of the Acting Prime Minister. Is it the intention of the Acting Prime Minister to consider the motion presented by the hon. member for Carleton (Mr. Bell) suggesting that we should abolish the royal power of dissolution? I ask this question so hon. members can see there are on the other side of the house some people who are anti-crown.

Some hon. Members: Oh, oh.

BUSINESS OF THE HOUSE

REQUEST FOR COMMITTEE CONSIDERATION OF PRIVY COUNCIL ESTIMATES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Privy Council. I wonder whether the President of the Privy Council would discuss with the government house leader the possibility of having the estimates of his department referred to one of the standing committees, so that committee might have an opportunity to consider the matters that are under his responsibility.

Hon. Walter L. Gordon (President of the Privy Council): Mr. Speaker, I will be glad to discuss that matter with the house leader.

HOUSE OF COMMONS

INQUIRY AS TO BROADCASTING OF COMMITTEE PROCEEDINGS

On the orders of the day:

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, may I direct a question to the house leader as chairman of the committee on procedure. How soon can we expect action by the procedure committee on the suggestion put forward by the broadcasting and agriculture committees, and endorsed by the Prime Minister last week, that electronic news media be given full access to parliamentary committees?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I hope the committee on procedure will meet at an early date. We will be happy to consider this proposal within the committee, and following that consideration will be able to give a more definite opinion.

The Address—Mr. Honey

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, May 12, consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment of Mr. Diefenbaker, and the amendment to the amendment of Mr. Gauthier.

Mr. Russell C. Honey (Durham): Mr. Speaker, it is traditional in this debate to compliment the mover and seconder of the address in reply to the speech from the throne. I am pleased to do so, not only because it is a traditional gesture but because the mover, the hon. member for Burin-Burgeo (Mr. Jamieson) and the seconder, the hon. member for Nicolet-Yamaska (Mr. Côté), delivered speeches which indicated a great deal of background research and study, and delivered them in a manner fitting the record of responsibility and sincerity they have already established in this house.

• (12:20 p.m.)

In this debate I would like to spend the time available to me in a discussion of the dairy policy of this government, and later to make some suggestions with respect to a school milk assistance program. By and large I think the philosophy of our present dairy policy is good. Some of the details are disturbing, and I will mention them shortly in the hope that the Minister of Agriculture will have an opportunity to reflect on my suggestions.

Before making my suggestions I want to congratulate the Minister of Agriculture for the generally good job he has been doing for the agricultural industry in Canada. The minister has obtained the confidence of Canadian farmers as one who is genuinely concerned with their welfare. He is concerned with the income of Canadian farmers as a whole, and he is anxious to bring it up to the standard of all Canadians. He is striving to see that all Canadians, including those in agriculture, should be able to live well, to educate their families and generally share in the good Canadian life which is being made available by this government.

Having said this I want to caution the minister on one point, and I am sure he will accept it in the spirit in which I make it. My words of caution to the minister are that he be careful about putting too much faith in the opinions of his senior officers and advisers. I do not say this as a criticism of the abilities or sincerity of the minister's advisers and those who hold office on various boards and commissions. However, I do suggest that these officials on some occasions may not have the practical background in agriculture which leaders of farm organizations possess. If, before announcing the new dairy policy in April, the minister and members of the Canadian Dairy Commission had given greater attention to some of the ramifications of the policy he would not now be faced with the genuine concern being experienced in the dairy industry.

Indeed, the situation we now have is that the dairy policy appears to be in conflict with the policies of other government agencies such as the Farm Credit Corporation and the ARDA administration. For example, to announce suddenly that quotas for manufacturing milk produced in 1967 and 1968 will be based on 1966-1967 production is a serious blow to those producers who have advanced plans to increase their production and move into more economically efficient units. I do not quarrel with the principle of quotas, but I do criticize strongly the practice of dealing with quotas without proper and reasonable notice being given to the producers. We are also told that quotas will be refused to producers who were not in production in 1966-1967. Such a drastic step without reasonable notice to the industry is surely not justifiable.

Another point of criticism I have is the lack of notice to fluid milk producers that the federal subsidy would be cut off almost overnight. I agree that the provincial governments have the essential responsibility in this field. I think, however, it would have been prudent for the federal department to have given the provinces a year in which to assume their responsibility and give notice to all, including the fluid milk producers, that the federal government would continue to pay subsidies to fluid producers in this current dairy year. The producers would then be put on notice that they had a year in which to convince the provincial governments that they should pick up the subsidies, and if the provinces indicate they would not do so the producers would then have a year in which to adjust their production as they might see fit.

In the balance of my time, Mr. Speaker, I would like to deal at some length with a matter which is directly related to the dairy industry but with respect to which I wish to direct a generally overriding argument, that of the health of Canadian children. I wish to

address myself not only to the Minister of Agriculture but to the Minister of National Health and Welfare. The topic is that of supplying milk to Canadian school children.

I am deeply concerned over the results of official surveys made in recent years which clearly show that a large proportion of our school age children are undernourished. The strange fact is that this condition is not the result of poverty but rather seems to stem from the affluence of our society. This is borne out by D.B.S. figures which show that shipments of soft drinks between 1956 and 1966 increased by 79 per cent while fluid milk production for consumption rather than manufacturing increased by only 1.74 per cent. On a per capita basis our consumption of fluid milk has decreased in those years from 322 pounds to 264 pounds. I made a quick comparative calculation and discovered that if our per capita consumption in 1966 had remained at the 1956 level, we would have drunk 1,160 million pounds more. That is about equal to the soft drink industry's increase over that period. For every additional pound of soft drinks we consume we stop consuming an equivalent amount of nature's most perfect food, milk.

So, while the high aims toward a better life as laid out in our recent throne speech are very laudable, we need direction in how to best use our blessings. Our children need education regarding the principles of nutrition. They are eating what tastes good to them, but very often they need most what they do not like. An important step that should be taken to correct this matter is to establish now a national school milk program. This should be financed and promoted by the federal government without delay. I would like to remind the government and hon. members that this was part of the Liberal platform in 1962 and 1963, and the funds then allotted should have been augmented by now.

The need for such a program is supported by unquestionable authority. I refer you to the pamphlet "Nutrition for Health", volume III, No. 1, November 1963, published by the Ontario department of health. This describes a research program to assess the habits of adolescents carried out by the department's northwestern, Wellington and Welland units. Its results are based upon records kept of 2,436 students.

According to the minimum requirements of the ten basic food groups, as laid down by the Canada food guide—milk and cheese, eggs, meat and alternates, potatoes, vegetables, fruit, sources of vitamin C, bread, whole grain cereal and vitamin D supplements—a shocking 55 per cent, or more than 1400 students, rated "poor" to "very poor". In this group the average calculated intake of vitally needed calcium was not up to the recommended level. The report states that the neglect of milk was most serious since it is a prime source of calcium. Only 34 per cent of the boys and 25 per cent of the girls drank the amount recommended by the Canada food guide to supply adequately this food element along with the others that are supplied by milk in a near perfect combination.

The report sounded an ominous warning for girls. It stated that while growth and development may proceed normally, the bones may not be properly calcified. This brings a danger of nutritional debt which can be dangerous when pregnancy follows shortly after adolescence. The report states further that students who reported their soft drink intake averaged 3.9 bottles a week for boys and 3.4 bottles for girls. Further, the boys drank an average of 7.7 cups of coffee and tea a week while girls drank 6.9 cups.

The 1962 report of the committee for the study of the distribution of milk in the schools of the province of Quebec states that milk is an essential food for children because it is the principal source of calcium and riboflavin. It concludes that without milk a child is not adequately fed because insufficient calcium leads to many difficulties arising from poor bone formation, and can cause teeth cavities. Riboflavin is a vitamin whose need is so well documented it need not be dealt with at length here.

The findings give support to the statements made in the House of Commons on November 20, 1962. At that time I recommended, among other things, that the federal government should definitely proceed with a school milk program. I stated the government should not only support such a program financially but should sponsor education to stimulate and enthuse parents of school age children on the necessity of supplying their children with milk each day.

Today I repeat this recommendation and introduce positive suggestions as to its implementation. I am absolutely convinced it is a matter of vital importance to our nation's health and the teaching of health principles in our schools. In addition, my proposals cannot help but bring far reaching benefits to the dairy industry if they are put into effect.

• (12:30 p.m.)

If we compare our distribution of school milk to that of the rest of the world we should, in this centennial year, hang our heads in shame. Here are some facts I have gathered from the publication "School Milk in Canada", published in December 1961 by the Canada Department of Agriculture. Our consumption of milk in schools accounts for less than 1 per cent of our total milk consumption, compared to 4 per cent in the United States. The Quebec report to which I referred earlier states that England, Japan, Norway, New Zealand and Sweden are equally well advanced as the United States in the areas of school milk distribution and lunches. In some of these countries the milk is provided free.

The publication "School Milk in Canada" states that the oldest successful school milk program in elementary schools in the country has been carried out by the Montreal Catholic school commission. Its efforts won national recognition in an article published by School Progress magazine entitled "Here's a Blueprint For Solving Your School's Milk Problems". That program, suggested as a model for Canada, had to be discontinued during the 1966-67 school year because the cost of milk increased and subsidy money wasn't available to make up the difference. Between one quarter and one third of the children were given milk free through benevolent efforts of service organizations and contributions by the school commission itself.

The most effective program in terms of amount of milk distributed is in Windsor, Ontario. The Department of Agriculture report states that the average consumption per pupil day in all outlets excluding vending machines, which are noted for lower turnover, is only 2 ounces per pupil day. The average of our four best cities, Montreal, Windsor, Ottawa and Hull, was less than one third of the United States figure in 1961. With the Montreal Catholic schools discontinuing their program, at least temporarily, the situation has become worse.

United States consumption averages 5.8 ounces per pupil day, the Canada Department of Agriculture report states. It also affirms that if United States methods were used here we could probably raise Canada's over-all consumption to a desirable 5 ounces per pupil day.

There is little doubt that our low consumption results to a large extent from the high prices our children must pay. Spectacular results occur when prices are lowered. The Department of Agriculture report tells about studies made in St. Louis, and in the state of Wisconsin. In St. Louis when federal subsidy permitted the price for an 8 ounce container to be lowered from 7½ cents to 3 cents, consumption increased 180 per cent. In Wisconsin when elementary school prices were dropped from 6 cents to 3 cents per 8 ounces, sales increased by 208 per cent.

The number of children participating in Wisconsin was 100 per cent when the price ranged from 0 to 0.9 cents per carton. At 3 cents to 3.9 cents it was 79.3 per cent. Canada's school milk participation by students, averaging about 20 per cent, looks very sick by comparison. Despite all pressures of its international commitments the United States is not disturbing this activity. Last year, according to an article in the Economist magazine, President Johnson asked for $20 million for school milk and Congress raised the amount to $100 million.

Mr. Ronald H. Clark, proprietor of Clark Dairy Limited of Ottawa, stated in a speech to the National Dairy Council meeting on March 21 of this year that he doubts that a single dairy in Canada, trading solely in fresh milk and cream, is earning a profit. Profits, such as they are, come from other products. The average earnings on sales by the dairy industry is 1.9 per cent compared to 4.9 per cent in all manufacturing industries, Mr. Clark said. The low profit position of this industry makes it impossible for it to assist school milk programs by lowering prices. Such action was suggested by the Quebec provincial committee studying school milk distribution in its 1962 report, and no doubt others have made similar proposals that arise from the assumption that there are significant profits to be reduced.

Another suggestion made by this committee was that low cost school milk would stimulate the lagging desire by the children for it, and that dairies should look upon the cost of their assistance through lower prices as part of sales promotion and advertising costs. The sad state of the industry rules out this suggestion also. Mr. T. B. Cooper, president of the National Dairy Council, stated this year that sales charts for the past 10 years show a lack of promotion spending on products using the most milk. He explained that the profit situation did not allow such activity, while the promotion budgets for alternates and substitutes show an ever increasing trend.

Promoting the drinking of milk by children is an activity that will bring the ultimate in

long term benefits for our children with a subsidiary benefit for the dairy producers of Canada. Milk tastes, developed in childhood, often remain throughout the lifetime, and if there is a full realization of the nutritive values involved they will be passed on to future generations. Today's children appear to be losing their taste for milk, and this trend must be reversed.

This requires a substantial educational campaign, as I have stated before in this house. Co-operative activity by the national farmers and dairy organizations could help in this effort. This is exemplified by the literature distributed with milk in Windsor, Ontario, by the dairies supporting school milk. Sometimes a one week health survey, such as that conducted in co-operation with the Ontario department of health at Porcupine, Ontario in January 1963, can be used as an excellent base for education. There the health classes in the schools were told of the dangers accompanying their low average intake of milk as indicated by the survey. This was shown to be a major reason for the diet classification of two thirds of the students being rated as "poor" to "very poor".

Proper nutrition in children is needed for effective teaching generally. Mr. Guy Labelle, former principal of the Jacques Viger public school in Montreal's poor St. Henry district, made a study of the children sent to him who were problems in class. According to the article in School Progress magazine mentioned earlier, he found that 75 per cent of them had not eaten enough breakfast or none at all. In pacifying these children, milk had the effect of improving learning capacity. Mr. Labelle's observations are supported by the article "Food for Thought" published in the December 1966 issue of Monsante magazine. There it was reported that the Nutrition Foundation Incorporated of the United States had found that a deficiency of two of the important constituents of milk, namely protein and carbohydrates, can retard a child's mental development by as much as three years. A school lunch program in Mexico City, featuring milk, is reported to be improving not only health but scholarship.

An adequate intake of milk is not only an objective that health education in schools should aim toward, but is a need for the teaching process itself. Therefore a substantial educational campaign is required by the federal department of health and welfare to draw the attention of the public to the need for instructing children about its vital position among the essential foods. In this effort it would, of course, work in co-operation with provincial departments of health and education. The most important step to be taken, however, is the lowering of the price of milk itself. The price must be substantially lower than the bulk price paid to stores or milk delivery drivers. The only sure way this can come about is through federal assistance, in co-operation with the provinces. Studies by the Quebec provincial school milk committee mentioned above and experiences in the United States show that the price should be about 3 cents for an 8 ounce container, or about half the bulk price in stores.

I therefore propose a national school milk assistance bill under the authority of the department of health and welfare. This would make funds available, through the provinces, to school boards participating in the program. It would follow a similar pattern to that in the United States. Our objectives should be first to educate both parents and children to the need for milk, and second to increase our national consumption to 5 ounces per pupil per day, as suggested in "School Milk in Canada", published by the Department of Agriculture.

• (12:40 p.m.)

At present our national elementary and secondary school population is about 5,125,000 pupils. At 5 ounces per day they would consume 656 million 8 ounce portions, or about 328 million pounds of milk in a 200 day school year. If the government paid 3½ cents per portion the cost would be $29 million. However, acceptance will not reach this level immediately and an initial grant of about one half this amount would be enough to get the program going. This was the experience in the United States, as reported in the article "The Classroom, Our Untapped Market for Milk" that appeared in the May 20 issue of the *Family Herald* in 1960.

It is an economic fact of life that any industry must expand its sales to be healthy in our economy. The dairy and farming industry have shown what happens when this does not take place. In order to achieve industrial efficiency there is a continual need to purchase expensive improved production machinery and plant. With a stationary market this has come about in the only way possible; through the large units buying out their smaller competitors. Thus we have seen the number of dairy farmers and processors dropping constantly during the years since the

war. During the period from 1956 to 1961, for instance, the number of dairy farmers dropped from 398,604 to 308,980.

We are proud of Canada, Mr. Speaker, as a great and modern country where our people generally are well paid and our families enjoy a high standard of living. Many of us have assumed that because of this our children are well fed and do not need milk in school. The facts prove that they not only need milk but require education as to why they should drink it.

Our dairy industry is suffering because of a declining per capita consumption of milk. A school milk assistance bill will provide the most effective means to reverse this trend. It will bring back a desire for milk in today's children. It will give these children knowledge about the vital role played by milk in their own good health. Then they in turn will see to it that their children, the next generation, will not return to the bad habits of today.

This is a matter of great national importance, Mr. Speaker. I suggest it should be the prime concern of the Department of National Health and Welfare as well as departments of health in the various provinces.

In closing, Mr. Speaker, may I make the plea that we catch up with the other advanced nations of the world in the area of school milk distribution. Our reason should be the same as Australia's when it established its states grants act in 1950 to provide milk to school children. It gave its reasons as "to help maintain their health and establish milk as part of their daily diet".

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, to begin with may I express our admiration and appreciation of the Speaker, the Deputy Speaker and those who piloted us through the marathon session that has just ended. We regret that this house has not been able to give them a well deserved holiday. I also wish to congratulate the mover of the address, the hon. member for Burin-Burgeo (Mr. Jamieson), and to state that the contents of his remarks and the manner of their delivery could well be the envy of many of the front benchers in this house.

I also wish to congratulate the seconder of the address on his speech. His eloquence was very appealing, but he launched into a criticism of Conservative agricultural policy and sang the praises of the policy of the present Liberal government. I suggest he read the address just delivered so ably by the hon. member who preceded me, the hon. member for Durham (Mr. Honey). His eyes might be opened to the failure of the present government to carry out its election promises. I also suggest to the seconder that he must have failed to read the record of the Conservative administration from 1957 to 1962, because he would have learnt that the idea of Expo, about which Canada is so enthusiastic today, as well as its present location, originated with the administration headed by the present Leader of the Opposition (Mr. Diefenbaker).

I would further point out that the Saskatchewan river dam would never have been conceived, let alone built, had the Liberals continued in the drivers' seat, as they are today; and they are now very happy to see this project being completed. They are also very happy to name it after a Liberal. They did not have the courtesy to name it after the man who really initiated the dam, a project which the Liberals were afraid to touch. It must also not be forgotten that crop insurance, cash advances to farmers, ARDA and other measures originated with the Conservative government, measures which this government have tried but failed to improve. I think credit should be given where credit is due.

With regard to Canada's one hundredth anniversary, it is marvellous to see how enthusiastically those who were born in Canada as well as those who have entered the country more recently have joined together in the celebration of our centennial. And well they might, because few who were born in 1867 are still living to celebrate our hundredth birthday. I also suggest that few who were born either this year or last year will live to celebrate our second hundredth anniversary. They must therefore make the most of this occasion, and I am glad all have taken our celebrations to heart.

I realize that on occasions such as this we must pause to take stock, to make a short résumé of the past in order to understand the present. We think we have difficulties and face problems, but I feel we should understand how these problems arose in order to get some inkling of how perhaps we can best find solutions. The history of Canada did not begin just one hundred years ago, Mr. Speaker. If my memory serves me correctly the history of Canada began 475 years ago. It started with the landing of Jacques Cartier and the hardy French explorers and pioneers who broke the first sod and lived through indescribable hardships in the early days of this country. They were the ones who laid the foundations for this nation. We cannot forget

or ignore these people because, as I say, Canada was not born just 100 years ago.

To these people, Mr. Speaker, I take off my hat. I cannot help but point out that it was these same French pioneers who firmly implanted in this land their language, their culture and their religion, which still exist to this day. They should be very proud of the fact that their cultural heritage which they brought from their motherland of France is still adhered to to this day.

The British conquest in 1763 made very few changes to New France; the only change was in the name. After the British conquest British servicemen stayed in the country, and after the American revolution many United Empire Loyalists settled in what was then Upper Canada, now Ontario. The Germans, Dutch and Swiss came after the British, and in 1799 German speaking Mennonites came to Ontario. They show that they are still among the best farmers in Canada. One year earlier, in 1798, the Irish came.

• (12:50 p.m.)

Anybody who maintains that at confederation, in 1867, only English and French were here is twisting history and not telling the truth, because there were at least seven ethnic groups in Canada at that time. Apart from the English there were Irish, Scottish, German, Dutch, Swiss and others. Whether they were consulted about confederation is something else.

Shortly before confederation we saw a Selkirk settlement in Manitoba, and in 1877, ten years after confederation, the German Mennonites came to Manitoba. They have proved themselves the best of farmers. All these people made a considerable imprint on Canadian life, entering the civil service, politics, the judiciary and the teaching profession. They have been a credit to this country. The same can be said of the first Icelandic immigrants who came to Manitoba in 1875, five years before it was organized into a province. It is not difficult to find descendants of these people occupying high posts in the civil service and provincial and federal governments.

Seventy five years ago last year the Ukrainians came, and last year they celebrated that seventy fifth anniversary. Politicians and outstanding persons of Ukrainian origin took part in the celebrations lauding the achievements of the group which is now half a million strong. Seventy six years ago, with no physical resources, the Ukrainians came as poor immigrants from the Austro-Hungarian and Russian part of the Ukraine because they were oppressed economically and politically. They were men in sheepskin coats who were ridiculed and laughed at; their women wore babushkas. Today what lady in Canada is shy about wearing such head covering?

Mr. Dinsdale: They set the fashion.

Mr. Mandziuk: I bow my head to the pioneer Ukrainian women who helped their husbands to build homesteads in parts of the country without roads, who lived in small shacks and brought up children while their husbands went away to earn money with which to buy farm implements. Those women helped to clear the land. Those people have survived. Have they contributed nothing to this nation? I can easily prove my point. We see descendants of Ukrainian origin in every facet of Canadian life, and they enjoy the privileges and rights of citizenship which their forefathers undertook to uphold when they became settlers.

Old loyalties had not worn off when the first world war came. It was too soon after the immigration; yet records show that 10,000 of Ukrainian origin joined the Canadian forces in answer to the call. One man who had worked in the House of Commons before his death several years ago was of Ukrainian origin and won the Victoria Cross. His name was Konowal. In the second world war 40,000 sons and grandsons of the first pioneers from the Ukraine answered the call and served in Canada's forces. Some reached high rank; some were decorated; all have been a credit.

In saying these words I pay the same compliment to the peoples of all ethnic groups in Canada. After one generation the sons and daughters of every ethnic group become Canadians. They know no other land, and having made this land their home they hope to make it better for the future.

I am about to quote from the Prime Minister. May I call it one o'clock?

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Mandziuk: I wish to quote from a speech which the Prime Minister delivered in

Edmonton on July 17, 1966 on the occasion of the 75th anniversary of Ukrainian immigration to Canada. In the presence of some 25,000 people he said:

> You have continued the faith of your forefathers. Through the years you have maintained your own identity, your culture and your institutions, inside the Canadian nation. You have enriched Canada greatly by your contributions to its political, cultural, agricultural, industrial, professional, educational development. Your love of the land; your passion for freedom, personal and national; your belief in democracy—these have been captured and expressed in your poetry, your songs and dances. These are now part of Canada's heritage.
>
> By preserving your own identity, therefore, your own language and traditions, you have added something of value, of strength and colour, to the Canadian character.

These words could be addressed to any of the ethnic groups which have found their home in Canada. They would apply to Canadians of Italian origin. They would apply to the Poles and all the others; I do not restrict myself to any particular group. The wonderful part of it is that all these various ethnic groups have adopted a common language so they can understand each other. In most cases, they have adopted the English language. They have established trust and confidence in each other; they have exchanged cultural habits; they have intermarried. All are playing their part in the development of this nation.

On behalf of all those of ethnic origin, people who compose around 26 per cent of the Canadian population, I take issue with the Minister of Manpower and Immigration who concluded a statement he made on March 4 by saying that Canada will never be one people with one dream. We who are of ethnic origin believe Canada is becoming a country of one people with one dream, if it has not yet become so.

I agree with the attitude taken by a great Canadian, Hon. J. T. Thorson, Chancellor of the Exchequer Court and at one time a minister in the federal government. In an article which appeared in the Edmonton *Journal*, we read the following:

> The Honourable J. T. Thorson, former chief justice of the Exchequer Court, said in Edmonton this week that Canada is being "brainwashed" into believing it is a bilingual country. It is not, it never has been and, as Mr. Justice Thorson said, bilingualism as a national policy is not in the national interest.

Hon. members may wish to know what is my own attitude toward bilingualism. I believe in it, my understanding of the phrase being that it means knowing two languages. Ethnic groups in Canada have adopted this point of view. Bearing in mind the words spoken by the Prime Minister to that Ukrainian gathering in Edmonton, every ethnic group has the right or possibly the obligation to maintain its language and propagate its culture as well as to learn one of the official languages, either English or French. Maybe it will not suit some people but most of the ethnic groups in Canada have adopted the English language. Some of them, a good 25 per cent, use the English language to the extent that it has even become the mother tongue in the home.

What will Canada be like 100 years from now? I am sure the fathers of confederation, when they were trying to mould this country into a united dominion, could not have foreseen what conditions would be like 100 years in the future. They could not have foreseen that Canada would develop from a colony of Britain into a completely sovereign and independent state. We cannot be sure what Canada will be like a hundred years from now when the second anniversary of confederation comes around. Who can foretell?

• (2:40 p.m.)

Of course there are forecasts. There are those who doubt whether there will be a Canada at all. Some feel that Canada will be absorbed by the United States. Some feel that we are now dependent upon the United States economically and therefore will become a part of that great nation. Some believe we should have a two nation structure. They envisage something like the situation which existed in respect of Austria and Hungary up to the end of the first world war. I and most Canadians believe—and it is safe for us to prognosticate because we will not live to celebrate another hundredth anniversary and will not be called to account—that Canada geographically will remain what it is today. I believe it will be completely independent, despite rumblings to the contrary. It will be a powerful nation of one hundred million people at least, fearing no one. Those who live to celebrate the two hundredth anniversary will feel proud of this nation. Canada will have one way of life. We now are laying the foundations for a distinctive Canadian culture containing the best of all cultures. We have contributions from those from other nations who have been here and have developed their own cultures.

Today we damn, condemn and fight among ourselves; we do almost anything to try to put Canada in a strait-jacket. Some people say Canada never will be anything but what it is

now. Other people say that Canada is a nation already or, if it is not, that it is in the process of becoming one. As I have said, a two nation concept would be logical were it not for two historical facts. History cannot be denied. When this nation entered confederation there were seven ethnic groups. In addition, because of the open door policy of this nation, millions and millions of other people have come to this country. We must treat this nation as a whole containing many varieties of races, many varieties of cultures, and people with many varieties of ideas. The newcomers to this nation who brought with them their cultural heritage assumed their full obligations as Canadian citizens. In return for assuming those obligations as Canadian citizens they have a right to expect, and were given that right, the same rights and privileges enjoyed by those who came before and those who had been here for generations.

In peace and war these people have not at all been lagging behind the others who claim a special status because their forefathers had been in this nation for generations. These newcomers have integrated into the new life. They have shown that they can perform their essential duties. All they ask in return is that their opinions be heard, that they have a hand in shaping Canada and in determining what it will be during the next one hundred years. Otherwise they will be second class citizens who, in spite of the obligations they have assumed, will have no rights.

The trend followed by this government is to ignore these other people. I will not mention a name, but one politician when speaking to a Jewish ethnic group a year and a half ago said—and I will paraphrase—that all the other peoples in Canada must accept the language and culture of either the English or French groups or else. He did not finish the "or else". Where does that put us? I do not like referring to the third force; it is not that. These other groups of Canadians have the same rights as those who had been here for hundreds of years. They are here because they were invited and welcomed.

Mind you, all these groups who came here did not have their passage subsidized. They suffered the hardships of pioneer life; they have done much more, and have assumed all their duties in this nation. They must have all their rights. Whatever Canada is to become in the future, they feel they should have a voice. As I have said already, this government does not consider them full fledged citizens. Rather they are considered to be second class citizens.

History repeats itself. Other nations have gone through the same process. They have developed from a mixture of various cultures. We might take the example of Great Britain, which went through these throes and finally became one nation. This is what we are in the process of doing in Canada. It is difficult to tell what Canada will be like in one hundred years from now, but as I said I have every hope. During centennial year I think we should instil in our minds the fact that we are going to work for a strong, united Canada.

There are two other matters I should like to mention. They are unrelated but may affect Canadians as a whole. This year on October 5 the Soviet union will be celebrating the anniversary of its revolution. Here in Canada we have many people who came from behind the iron curtain. These people will be celebrating the fiftieth anniversary of liberation. They had gained freedom but lost it because of the iron curtain. I know many persons, and this includes ministers of the crown, who will be asked or who have been asked to speak at these various functions. We should keep in mind that these persons should not be accused of having a double allegiance or anything like that. They cannot help but have strong feelings about the fate of the land of their fathers or forefathers. Canadians express concern about what happens in the Congo and what happens in Viet Nam today. Why should these people, whether they be Russian, Ukrainian, Polish, Czechoslovakian, or whatever their origin, not be understood in the same way? Why should this sympathetic feeling not be expressed in respect of these people and what is happening behind the iron curtain?

Another thing which disturbs me as a Canadian is that in this country we have certain groups which lead protest marches against the United States for what goes on in Viet Nam. Show me one group in Canada which leads these protest marches against the United States in Viet Nam which at the same time leads protest marches against the U.S.S.R. which is supplying armaments to North Viet Nam, and against China which is also supplying armaments to North Viet Nam. Why should there be no protest against them? I cannot understand why Canadians are so gullible. Perhaps these protest marches are communist inspired; I do not know.

• (2:50 p.m.)

I cannot understand why the United States is damned and condemned just because it is

the bulwark of the free world against communist aggression. Had it not been for what the United States has done in NATO we would not today have a free western Europe. Today the United States is preventing the further spread of communism in Southeast Asia. Some people get carried away in their protests against the United States, but I suggest in all fairness they should protest against the U.S.S.R. Where are the Migs made which are fighting against United States boys if they are not made in the U.S.S.R.? I suggest that we should leave the North and South Vietnamese to settle their own problems, providing Russian and Chinese support is withdrawn. I do not believe the United States has any imperialistic designs so far as Southeast Asia is concerned. They have a more palatable morsel here in Canada, and they have given no indication that they want any part of it.

Thank you, Mr. Speaker.

Mr. Hubert Badanai (Fort William): Mr. Speaker, first of all I should like to congratulate the people of the constituencies of Burin-Burgeo and Nicolet-Yamaska for electing two outstanding representatives to the House of Commons. They can feel proud of their members' performances in moving and seconding the address in reply to the speech from the throne. I have never heard better presentations delivered in this house during the nine years I have been a member. I heartily congratulate them.

The tradition of moving the address in reply was greatly enhanced by the remarkable message of the hon. member for Burin-Burgeo, which could not have been more appropriate for the beginning of this centennial session. It has provided a splendid opportunity to dwell on some of the aspects of the history of this glorious land. The right hon. leader of the official opposition and the Prime Minister dealt with the subject with an eloquence which I do not presume to approach. They dealt with the years of Sir John A. Macdonald, and the hon. member who just spoke dealt with the history of some of the ethnic groups which have immigrated to Canada. With your indulgence, Mr. Speaker, I intend to go further back to the days when the white man met the red man on the coast of Newfoundland and the shores of Quebec.

Being one of the few members of this house who came to Canada as an immigrant I find this an occasion which inspires me to say that Canadians of other than Anglo-Saxon and French origin have a special feeling for Canada. I need not remind anyone in this house that five years after the discovery of America by Christopher Columbus another Italian mariner, Giovanni Cabot, in the service of King Henry VII of England and in honour of his native city of Venice, planted the Venetian banner of St. Mark side by side with the British flag on Canadian soil. It is interesting to know that the exploit brought him fame but no fortune. King Henry, grateful but stingy, paid John Cabot ten pounds sterling, the equivalent at the present rate of exchange of approximately $30, for the discovery of Canada.

Although Britain and France are recognized as the two founding nations, neither country can claim credit for the first person to set foot on our shores. Some people claim that the Norsmen were the first Europeans to set foot on our soil 500 years before the flag of Britain was planted in Canada. If this is true they left no records and told nobody about it. The fact remains that the British flag was planted in Canada not by an Englishman but by an Italian. And without taking away any glory from Jacques Cartier, who is generally recognized as the first man to explore New France, it was another Italian, Giovanni de Verrazano, who led an expedition to Cape Breton in 1524.

But if Britain and France were not the first to arrive here, they were the two nations which did most to build our country and give us our laws and customs, and for this reason they alone are considered Canada's founding races.

The next Italians to come to Canada were mainly soldiers, priests and artists. There was Enrico Tonti known as Henry DeTonti, whose father Lorenzo, a Neopolitan living in France, invented the tontine, a complex pension scheme or annuity. Henry DeTonti, who had lost one hand in battle and wore an iron substitute, earning him the nickname "Main Defer", was LaSalle's faithful lieutenant and played a large part in the great French explorer's success.

When Montreal's existence was threatened by the Iroquois Indians in 1665, France sent out the famous Carignan-Salieres regiment. Part of that thousand man unit was raised in Savoia, and most of the soldiers and officers were Italians. The regiment was ordered back to Europe three years later, but 400 members remained in New France as settlers. Taking courage from the departure of the soldiers, the Iroquois Indians renewed their attempts

to destroy Montreal. They wiped out the settlements of Lachine and La Chesnaye and stood posed for massacre in Montreal in 1691, when they were roundly defeated by a militia force one of whose leaders was the Italian Captain Tommasco Crisafe.

The most illustrious Italian in New France, which as everyone knows is now Quebec, was Francesco Burlamacchi, knows as Francois de Bourlamaque, third in command after Montcalm, the famous French general who died on the Quebec heights in the battle fought on the Plains of Abraham and Levis. He was in charge at Montreal after the defeat of Montcalm and surrendered to the English only on the orders of General Vaudreuil. He returned to France, where he agitated long but with no success for a reconquest of Canada, and ended his days as governor of the island of Guadeloupe. The mining town of Bourlamaque, Quebec is named in his honour.

• (3:00 p.m.)

As everyone knows, one of the stipulations of confederation which brought Upper Canada and British Columbia together was the building of a railway system from coast to coast. This condition of federation brought large numbers of immigrants to Canada from Italy, Germany, the Ukraine, Poland and many other countries of Europe to build the C.P.R., the Great Northern and the Grand Trunk, the latter two forming the present Canadian National Railways. To accomplish this tremendous undertaking, when machines were unknown and everything had to be done by hand, pick and shovel, much cheap labour was needed. Italian labour agencies were set up and workers hired by the shipload. By 1900 there were in Canada 11,000 families of Italian origin.

Immigrants from many lands, the forerunners of hundreds of thousands who were to follow during the course of this century, sailed up the St. Lawrence to the promised land of Canada. They came with great expectations which for only a few were ever fulfilled, but by their toil and sweat they laid the rails to form the link that was to unite Canada. They were mostly single men, or men who had left their families behind hoping to become rich, but few returned and many never saw their families again.

At the time of confederation, 100 years ago, Canada had a population of little more than three million, and of these only 8 per cent were of origins other than English and French. In our last national census of 1961 the British ratio had shrunk to 43.8 per cent, the French was 34.4 per cent, while people of other nationalities represented 25 per cent. These facts should remind us that Canada, in the words of our Prime Minister "is not a country of two races only, of two cultures and traditions, but a country of many races and many cultures and many traditions. We are fortunate in our multiple heritage, in the challenge that comes from building a united country, one with the strength and richness that comes from diversity."

The 25 per cent of non-British and non-French origin may well become the cement binding the founding races into a composite whole, and achieve that unity of purpose which the Fathers of Confederation hoped to achieve. Senator Paul Yuzyk in his book "Ukrainian Canadians", which I think was published only recently, in a chapter entitled "Partnership of the Canadian Elements" has this to say:

> Canada was conceived as a country of plural culture. Her self government and independence were gradually achieved by the co-operation of the French and British peoples through our parliamentary institutions and common allegiance to the crown, which has been the binding force throughout the history of Canada.
>
> Our common experience of the land, the history, the democratic institutions and the economic prosperity has developed a spirit of pride and unity in Canada, which is equally shared by Canadians of all origins, who have also made contributions to Canada's progress. As the concept of equality evolved, the British and French in free association emerged as partners. The idea of partnership is gradually being extended to the other ethnic groups, which can only serve to enhance Canadian unity, rather than weaken it as is believed by some sceptics and pessimists.

The beginning of the second century is a good time to consider a resurgence in the development of our country. The development of a ribbon of civilization above the 49th parallel received the attention of our Canadian pioneers in the first century of our history, and as this widened further north, unlocking vast treasures of timber and minerals, and settlements prospered on the prairies, it was a period of great achievement which the generous immigration policy at the beginning of the century made possible. I venture to say that if successive governments had kept an open door immigration policy after the first great war we would today have a population not of 20 million but of 40 million. Only recently, since this government took office, has there been a more realistic immigration policy which has made it possible to almost triple the number of immigrants admitted to Canada in 1966 from a low of 72,000 in 1962.

I have been rather critical of the immigration policy of the former Conservative government for lack of vision concerning immigration. I have consistently advocated a more generous policy to encourage people to make their home in Canada. The Minister of Manpower and Immigration is to be congratulated for accepting several recommendations of the joint Senate and House of Commons committee on immigration designed to allow prospective immigrants to enter Canada without the skills and educational standards contained in the white paper, with a modification of sponsorship regulations which were considered too drastic if applied according to the original draft of the white paper. Canada needs men and women with skills, but equally the need for unskilled persons, if not as great today as at the beginning of the century is nevertheless substantial and important to the development of our country.

Indeed, Canada's history is laced with the story of people from many lands coming to Canada in search of peace, freedom and prosperity, building a new life; people from every country of the globe and from every walk of life enriching Canada with character and tradition. I anticipate that with the approval of legislation based on the committee's recommendations the annual number of immigrants will be no less than 1 per cent of the total population, which will ensure the admittance of at least 200,000 per year. I maintain that is a modest figure but is relatively substantial and, all things considered is a great improvement over the early years of the 1960's.

The opposition characterized the throne speech as a rehash, which can be interpreted as the ranting of frustrated politicians. Unbiased people will look at it objectively and see in it many good measures designed to give Canadians good, sound government.

• (3:10 p.m.)

The promised revision of the Juvenile Delinquents Act, as an example, is a heart warming decision. The act dates back to 1908 and has remained virtually unchanged since 1929. It is badly out of date and unduly harsh on young people. The changes will include authority to juvenile courts to make fuller use of probation and parole services and suspended sentences.

The John Howard and Elizabeth Fry societies are doing a tremendous job with most limited and inadequate financial resources, and here I wish to appeal to the government to be less stingy in granting financial assistance to these societies, which are composed of men and women dedicated to the rehabilitation of the unfortunate young and old who happen to fall into the channels of crime.

To give an example of the niggardly extent of federal help to these organizations let us mention that the John Howard and Elizabeth Fry societies of the district of Thunder Bay, which includes my own constituency of Fort William, are not affiliated with the John Howard society of Ontario solely because of a lack of necessary funds. Mr. Keith Couse, assistant director of the Ontario John Howard society, speaking at an annual meeting of the Thunder Bay society in Fort William in January, 1966 stated there were 2000 inmates from the Thunder Bay area serving time in various penal institutions in Ontario. More than 20 per cent of the total population in the Stony Mountain penitentiary in Manitoba are from the district of Thunder Bay.

This society exists on a budget of $7,750, of which $4,500 comes from the United Appeal, $2,000 from the provincial government and $800 from local memberships. The federal government is contributing the magnificent sum of $450. I call it a shame. This budget is expected to cover the operation of an office, a case worker, a part time secretary, and financial assistance for the basic necessities of their clients such as work clothes, food, lodging or relocation expenses. I need not point out the obvious, namely that they cannot afford the services of a professional case worker, or even to affiliate with the Ontario society which could give professional guidance to an unqualified worker.

In brief, the effectiveness of this society is very seriously impaired by lack of funds. Rehabilitation must begin behind the prison walls to prepare the inmate for the numerous problems he will face, to gain his trust before he leaves, to arrange family readjustments, to find him a job, and in short to be ready to receive him immediately on his release.

The importance of this procedure will be realized when we understand that 86 per cent of these inmates will not be on parole but will have completed their sentences. They will not have supervision. They will find they cannot make it alone. The majority, too suspicious to knock on the door of the office for assistance, will revert to crime and return behind the prison walls. The answer is frequent visits to these institutions. Thus we complete the vicious circle, and we face the lack of funds.

Let us look at the results. Here in Canada we have six times as many people in jails, per capita, as countries such as Denmark or

Holland, which parole 80 per cent of their inmates, 52 per cent of whom complete their parole satisfactorily while in Canada less than 15 per cent are paroled, and of this small number half are paroled to the John Howard agency with 10 per cent of that number completing parole successfully. Our penal institutions are crowded, our jails are overflowing, and we must spend millions of dollars to build better and bigger jail houses.

The John Howard society, with its fine record of rehabilitation, could do much to eliminate this overpopulation in jails if it were given reasonable grants from this government. The Thunder Bay society with its extremely limited budget handles six parolees a year and less than 100 annually of those who complete their sentences. Their success rate is high, but without guidance from the Ontario society and a professional case worker they cannot begin to perform the required job. Should the government move toward mandatory parole, which is being studied now by the attorney general, how could an agency such as this one even begin to do an adequate job? The board of directors of this society is very concerned and hopes the government will consider most seriously a generous grant to the John Howard and Elizabeth Fry societies which serve the whole district of Thunder Bay, including the cities of Fort William and Port Arthur, the record of which in providing parolees with direction, shelter, clothing and jobs is second to none in Canada.

Such hon. members have been complaining about the length of the speech from the throne. May I suggest to you, sir, that in the nine years I have had the privilege of sitting in this chamber I have never heard a throne speech with so many references to consequential legislation designed to assist the economy of the nation in every sphere of national activity as the one delivered by the new Governor General.

In the development of incentive programs I urge the government to extend the designated area to include northwestern Ontario, a 200,000 square mile area of great natural resources, many of which are still untapped. Northwestern Ontario has been more or less neglected in favour of the more affluent eastern parts of the province. I suggest to the Minister of Defence Production that he give consideration to the resolution of the Northwestern Ontario Municipal Association, the Northwestern Ontario Associated Chambers of Commerce and the Northwestern Ontario Development Council urging the establishment of incentives to industry because, in the light of the obvious fact that industry is going where the free gifts are, these three groups have had more to do with the development of northwestern Ontario than any others. They state that none of the measures taken so far have proved effective and that this resource-filled area is being bypassed and ignored even though it qualifies as a development area in every apparent way.

Not only is the designated area program denied to northwestern Ontario but every suggestion toward an area-based handling of such aids to industry is turned down. The northwestern Ontario area desires an incentive program to attract secondary industry, business and individuals.

• (3:20 p.m.)

The proposal to amend the Indian Act to benefit the Indian and Eskimo people should be welcomed by every member of this house. Being a member of the standing committee on Indian affairs I have a particular interest in the welfare of our original Canadians. Of course I am not alone in appreciating the government's concern in accelerating assistance in an effort to secure for them greater participation in the affairs of the nation.

The legislation to provide long term loans to agricultural and fisheries associations to permit them to develop facilities is indeed a welcome move. This government has done a great deal for agriculture since it took power, and the announcement of the establishment of a special task force under the Minister of Agriculture and the broadening of the Farm Credit Act are also measures that the farmers of my constituency, and no doubt many other constituencies, will appreciate and welcome.

The promotion of consumer interests will include the designation of a department of corporate and consumer affairs. This feature will have the effect of stabilizing consumer prices and prevent the spiralling cost of commodities affecting every household in the country. These are only a few of the 30-odd items contained in the speech from the throne for the specific purpose of making life for the Canadian people easier and happier. In the words of the Prime Minister I say:

> —the speech from the throne reflects in general terms the need for government to improve the opportunities for every Canadian to live a better life.

Mr. J. N. Ormiston (Melville): Mr. Speaker, in congratulating the mover and seconder of the address in reply to the speech from the throne, may I be permitted to particularly

commend the hon. member for Burin-Burgeo (Mr. Jamieson) upon his masterful maiden speech. His effort was outstanding and appeared even more remarkable when compared with the document he was interpreting. I suppose it is only normal for government members to find much more cause for enthusiasm in the speech from the throne than members of the opposition. We on this side, without too much trouble, can recall other speeches from the throne and other legislative programs which produced more disillusionment than ecstacy.

The pith of the throne speech, if it can be called such, in this centennial year was a preamble on our hundred years' history which sounded more like a conducted tour of a factory than the description of the emergence of a nation. The lavish description of our contemporary social, cultural and economic environment is exceeded only by the dynamic and challenging future which will come about as a result of the implementation of the added superlatives, pious platitudes and worn out cliches which together are the framework of this current document. This speech, like the authors, is trying to provide all things to all people, and in its desperate attempt to cover every field of endeavour the government is becoming more socialist than the socialists. In so doing the government is crowding the private enterprise sector of our economy into ever narrowing and restrictive limits.

This country of ours was built largely by the efforts of free and private enterprise, and it is sad and humiliating for a Conservative to be present and watch a government which finds hanging so obnoxious but permits the slow strangulation of our traditional economic system and the erosion of our hereditary symbols. There is nothing in the speech from the throne which provides any positive proof that closer ties with the commonwealth are advantageous, that the monarchy provides the best type of parliamentary government or that our constitution which has stood the test of time could not be improved by judicious amendment.

A nation needs a strong spirit as well as a healthy body, but if the body politic is partisan and amoral, the body social dependent and sterile, no amount of legislative action can heal and no amount of penance absolve. A young country in order to expand and develop needs strong initiative from its people, but this will not be developed by the introduction of a guaranteed annual income or any scheme to give cradle to the grave protection supplied by a paternal government.

My leader, in the course of his timely and enlightened contribution, pointed out some of the omissions in the speech from the throne, but his chivalrous treatment of this document indicated that without continuing support from its sponsors it might well collapse from the weight of its own preponderance. It has been noted that while there have been no rave notices in the newspapers on the content of the speech, neither have there been any wholesale condemnations. There has, however, from all quarters been indifferent and desultory sniping indicative of an elusive and indefinite target.

The most tangible contents seem to have originated in committees by way of recommendations during the past year, or in private members' bills which emanated from the backbenches, so long overlooked. One would have thought, too, that in centennial year those who made a contribution to the peace and safety of our country might well have been given some consideration. The veterans, however, seem to have been forgotten. On more than one occasion members of this party have put forward some sound ideas for the improvement of the Pension Act. While it may be conducive to orderly planning to wait for the report of the Wood commission before making any changes, it should be borne in mind that contrary to the words of the old wartime song, old soldiers do not live forever.

The treatment of the veteran is not unique; while the government transports us in flights of fancy, in esthetic dreams of cultural ecstasy, the material things of life which sustain the average individual are daily becoming more costly to obtain. The ever increasing rise in the cost of living, coupled with a similar rise in the cost of production, is nowhere more visible than in the agricultural industry. The proposed march on Ottawa by eastern farmers must be looked upon with sympathy by Canadian farmers in general because the agricultural sector is one area of our economy where the cost of production has far outstripped returns to the producer.

The fact that the government has proposed a special task force for agriculture indicates that some concern is held for the future of this industry. However, some guide lines are needed if those who may form this combat group of Joe Greene's giants can be expected to produce anything constructive. While the special task force can do little to influence the

Kenndy round of trade negotiations where the cereals committee of GATT is concerned, or to initiate any action under the I.W.A., there are definite fields in which improvement can take place. For instance, the beef industry will soon be in jeopardy unless thousands of acres of pasture land are found in the immediate future. This country will be importing beef in three years unless suitable grazing land is found to support the cattle which will be needed to meet our increasing demands.

The transportation and storage facilities for agricultural products might also be examined. There has been little change in our livestock and grain cars in the last 60 years. Our country elevators are certainly not models of efficiency, and it does not seem unreasonable to expect that one or two modern elevators at each shipping point would be much more effective than the number that are in operation to meet present day requirements. It also seems absurd that thousands of bushels of dockage is shipped to the terminal elevators every year, thus wasting time, space and money when this by-product could be utilized in local feed lots and by local industry in the form of prepared stock feeds. If at any time this anticipated force is in any doubt as to the path of progress, it might well investigate those responsible for the construction of dams in Saskatchewan and why they were not named accordingly.

• (3:30 p.m.)

However, a serious situation has developed in Saskatchewan and it is this. At present P.F.R.A. officials are unable to proceed with needed projects because of the inability of the government to decide which department is responsible for the very essential programs which in the past have been the responsibility of the Department of Agriculture but are now disseminated among the Department of Energy, Mines and Resources, the Department of Forestry and the Department of Agriculture. The Prime Minister has said this is an important question, and since adequate supplies of fresh water are one of our greatest assets it behooves the government to make the necessary decisions as soon as possible in order that these water and land conservation projects may be proceeded with at the earliest convenience. With the conclusions of work on the South Saskatchewan river dam the P.F.R.A. authorities will be available for other extensive works, and they should not be kept in ignorance because of indecision on the part of government departments.

Our agricultural industry and its potential is in the hands of Canadian citizens, and the same could be said of our other industries if Canadians had confidence in their own future. Canadians are the world's greatest savers. By investing in our own future, by expanding our industries, by extending our trade to all parts of the world, by processing our materials at home and by the proper inducements to save for ownership, we will not only own the corporations that develop our wealth but will be supplying capital to others as well. The benefits of corporate capitalism have been well demonstrated. They have raised not only the level of our own living standards but forced socialistic countries to re-examine their economic systems as well.

The occasion of our Canadian centennial invites us to examine the progress of the last hundred years. But it also invites us to remember that Abraham Lincoln was assassinated a little over a hundred years ago. Legend has it that he once spoke these wise and eloquent words:

> You cannot bring about prosperity by discouraging thrift. You cannot help the wage earner by pulling down the wage payer. You cannot build character and courage by taking away man's initiative and independence. You cannot help men permanently by doing for them what they could and should do for themselves.

This is a philosophy which can be accepted by all men of good faith no matter of what political affiliation, and if applied in this centennial year as a basis of progress for the future the higher standards of quality and service, honour and integrity, will be well served by this and succeeding parliaments.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to join the other members who have preceded me in this debate in congratulating the mover and seconder of the address on their excellent speeches. Before turning to the main subject matter of my remarks I should like to congratulate the President of the Privy Council (Mr. Gordon) on what he recently said about the war in Viet Nam. I should like to re-echo his words when he said "I believe all of us have a duty to record our growing horror over what is going on in Viet Nam. If the present policy leads to disaster, the extermination of millions of unfortunate Vietnamese, or possibly global nuclear war, our failure to speak out will always remain on our conscience."

I find it hard to phrase a more scathing indictment of the government of which the President of the Privy Council remains a member. Their policy in this issue has been

one of mute, inglorious neutrality, of silence in the face of some of the greatest moral issues which have faced this or any other generation.

The recurring theme in this debate has been future constitutional arrangements for Canada, and this is the matter I should like to discuss. The celebration of 100 years of our history as a nation provides the occasion for a look at our fundamental institutions, a look backward that can be one of gratitude and thankfulness for our growth as a nation, and a look forward that enables us to assess whether we need changes for the future.

The constitution, as all hon. members know, is the fundamental law or framework within which our governments operate. The powers conferred on governments by the constitution and the limitations imposed on governments by the constitution are of the utmost practical importance to all Canadians. In my view there is a need for change in our constitution, not necessarily radical change but nevertheless change that is real.

In our view, Mr. Speaker, our confederation will be seriously endangered if we are not prepared to make the necessary changes but accept the static and laissez faire attitude which seems to dominate the thinking at the present government. Constitutions, of course, by reason of the fact that they represent the fundamental law of the country, cannot be subjected to constant change; they do require a degree of permanency. But they are human institutions, and as such should not be considered immutable or unamendable. As we all know, our present constitution is the British North America Act, a statute passed by the parliament of the United Kingdom as long ago as 1867, a time when Canada consisted of a group of isolated colonies with agricultural economies totally different from the modern industrialized society that is Canada today.

As all members of the house realize, the British North America Act has been amended in small details from time to time and then, of course, has followed the due process of interpretation by the courts. But there are two reasons, in our view, for changing our constitution. The first is that it is an obsolete document. This is not surprising. Indeed, it would be strange if a document which was drafted to fit the circumstances of a group of isolated agricultural colonies a century ago remained appropriate in the totally different context of a modern industrial nation. It is trite to point out that we are living in a world of constant and rapid world-wide change. The functions of government today are totally different from the functions of government 100 years ago.

The second basic reason, in our view, that we need a new look at our constitution arises out of the crisis—an overworked word, perhaps—caused by the emergence of what has been called the quiet revolution in Quebec. It does not seem to me a particularly appropriate phrase because it has not been particularly quiet, and I do not think "revolution" is a very apt word. But the fact is clear—and I think this should be welcomed by all Canadians—that a new spirit, a new and vigorous sense of identity, is abroad in the province of Quebec and among French speaking Canadians generally.

Some people seem to think that the sense of discontent in Quebec will just go away if we do not bother about it. Indeed, that seems to be the attitude of the present government.

• (3:40 p.m.)

I prefer the view expressed by men such as Claude Ryan of *Le Devoir*, by the 15 members of the B and B commission, by the premier of Quebec and by many others when they tell us that the aspirations of Quebec have created a genuine crisis and for a solution require revisions to our constitution. Mr. Ryan, editor of *Le Devoir*, a few weeks ago said that Quebec was not eager to secede from Canada but desired expression in the constitution of a clearer and more satisfactory status. In his view the articles of the constitution need to be gone over one by one and a definition drawn of the new status. I am convinced that we ignore the pleas of such well informed and devoted Canadians as Mr. Ryan at out peril.

What are some of the fundamentals of our constitutional structure that we should take account of in the process of revision? We need not be revolutionary in the sense of discarding that which has worked well in the past, but I suggest there are some guide posts to necessary change. First and simplest, we should discard the obsolete and meaningless sections in the constitution. They were transitional in 1867 and are meaningless today. At least 50 sections of the British North America Act could be eliminated.

Second, I believe we need a new preamble to the constitution, and it ought to refer to the historic partnership of English and French speaking people and the contributions of Canadians of other ethnic origins. It ought to make clear that the foundation of our system of government is respect for individual and minority rights, the protection of historic

rights of religion, education and language, and a legislative system based on the British parliamentary model. In my view such a preamble would not be mere rhetoric but would be of very definite educational value not only for school children but for the many thousands of immigrants that we expect to welcome to Canada from all over the world.

We ought to entrench in our constitution a constitutional bill of rights. We have at present a bill of rights which was passed by parliament, but its inadequacy is obvious. It does not apply to provincial legislatures, and may be repealed by parliament at any time parliament chooses to legislate in a manner inconsistent with it. According to our courts it has no effect on existing federal legislation. A constitutional bill of rights would be valuable for the defence of our traditional liberties and a useful educational tool to set out explicitly some of our fundamental institutions.

I was glad to hear the Prime Minister say that he will discuss a constitutional bill of rights next month with the premiers of the various provinces. I hope the proposed constitutional amendments incorporating the bill of rights will be made available for discussion in this house before, not after, they are submitted to the provincial authorities.

The core of the constitutional problem is the distribution of legislation power between federal and provincial authorities which is embodied in sections 91 and 92 of the British North America Act. I think these two sections ought to be reviewed with two aims in mind. First we ought to consider what are the necessary and characteristic functions of modern government in the second half of the twentieth century; also, how are those functions to be allocated between federal and provincial authorities and how are resources to be allocated to enable alloted functions to be efficiently fulfilled. The other point to be borne in mind is whether it is wise, in our revised constitution, or necessary to allow Quebec a special status. The expression "special status" is very general, and it is necessary to be precise when dealing with it. I propose later in my remarks to define more precisely what we in this party mean when we say we are in favour of a special status for Quebec.

Nearly all governments in modern industrial communities, irrespective of ideological background, have been forced into assuming functions quite different from the traditional functions of government. The scourge of unemployment in the '30's has lead to the adoption of Keynesian theories that the government must maintain full employment. This is as true of the United States, which emphasizes its devotion to private enterprise, as it is of various Scandinavian countries that have accepted the philosophy of democratic socialism. Both have moved toward a mixed economy, a sort of partnership between government and private enterprise. Full employment policies, in their turn, create a risk of inflation and rising prices. This leads to demands for government action in price control, and on the other side of the coin governments are asked to assume responsibility for economic growth through public investment and selective intervention in the economy.

Exponents of all political faiths, with the exception of a few dinosaurs, have accepted the theory of government intervention in economic planning. These theories were denounced as socialistic a few years ago, but they are now the stock in trade of all parties in modern societies. The problem is to make economic planning work.

Governments have also accepted responsibility in fields of social security. Lastly, governments today are called on to provide services which I like to call the infrastructure of modern living. Here I refer to housing, health, vastly expanded educational services, urban development and redevelopment. Without government intervention in these fields we could not live as we now live in this modern age.

It is necessary to review government functions to see where different levels of government fit. In our view a federal system of government offers distinct political and economic advantages which would disappear if federal authority were undermined in key areas, those advantages including political stability which is necessary to attract foreign capital and to mobilize domestic capital, a stronger political voice and bargaining power in international affairs and international trade, the maintenance of a free trade area from coast to coast, and a bulwark against foreign domination.

To this end we believe that federal authority must be preserved in such fields as credit, banking, investment, monetary and fiscal policy, tariffs and transportation, to name a few only. There is no room here for special status for Quebec or any province. We have been concerned about the gradual erosion of federal powers in the fields I mentioned which has become apparent in federal-provincial conferences over the past few years.

The responsibilities of various government levels in fields of social security must be clear, that those responsibilities may be adequatey discharged. It is desirabe to have federal control in fields such as family allowances, non-contributory old age pensions and the like. There are some fields such as hospitalization and health services where the present system of provincial administration and partial federal financing works well, and where it should be retained with great advantage in transferability of benefits throughout Canada. Here also the federal contribution helps equalize the burden as between provinces.

• (3:50 p.m.)

In other fields of social security provincial governments, being closer to the people, should have sole responsibility. But if we are to make progress toward the goal of regional equality, equalization payments from the federal treasury will continue to be required. In the field of social security, while a clear allocation of authority is required, I can see no urgent need for a special status for Quebec.

It is in the third field of the collective services or infrastructure, as I have called it, that a special status for Quebec is called for. Quebec does have an historic tradition, culture and language of her own, of which she is justly proud and which she proposed to develop on her own lines. Undoubtedly connected with this fact of cultural difference is the whole field of education at all levels and the development of urban services. If Quebec desires to do these things alone, why not? But if the other nine provinces believe that university education, adult retraining and urban development can be more efficiently planned and financed through the intervention of the federal authority, why should they be held back by the desire of Quebec to be on her own in these matters?

The special status for Quebec which we in this party advocate is not some sort of political concession made to win the political approval of voters in the province of Quebec; it is merely a recognition of the facts of life, namely that people with a special culture of their own are entitled to retain complete control, if they so desire, over matters intimately connected with that culture such as education. On the other hand it must be recognized that it is the people in the other nine provinces who ought to be most insistent that Quebec should have a special status and that federal intervention should not be restricted to the level desired by Quebec.

If I understand the doctrine propounded by the Minister of Justice it is that the present constitutional arrangement, interpreted in such a way that the federal government should stay strictly out of the fields of provincial jurisdiction, is quite sufficient to satisfy the aspirations of the province of Quebec. I do not know whether this is so. However it may be, there is no reason why this doctrine should be accepted by the rest of Canada. There may well be fields of action in which federal intervention is desired by the other provinces although unacceptable to Quebec. If so, the device of a special status for Quebec can be used to meet the aspirations of Quebec on the one hand and the rest of Canada on the other. I am afraid I have no time to give illustrations showing how this would apply.

It appears to me that in this whole field of constitutional reform the government has lamentably failed to give leadership. This is clearly demonstrated by the words put into the mouth of the Governor General in the speech from the throne. This Liberal government was elected four years ago. We have been in a constitutional crisis throughout this whole period. The necessity of taking a look at the constitution has been urged on the government by many different people including many members of this house.

The government, we are told in the speech from the throne, "is aware of its unique responsibility to assure that our fundamental law is readily adaptable to our changing social needs". It is so fully aware of this that after four years in office the best that can be said on the subject is contained in the following phrase: "Studies to obtain the best advice on this important matter are now under way with a view to specific consideration of the whole problem by parliament".

Who will compose this anonymous committee? When will they report? We are told nothing.

What an extraordinary neglect is admitted in these words. The government is so aware of its unique responsibility that now, after four years of constitutional crisis, it is apparently starting to study the subject of constitutional change.

The initiative has passed to provincial governments which are setting up committees, calling conferences and so on. But there is a reason for this federal neglect by the government. The reason is that the government is frightened of parliamentary democracy and is

unwilling to submit to the elected representatives of the various parties the urgent problem of the future constitution of Canada.

The view of the government is described inelegantly as the can of worms theory or the theory of Pandora's box. It is feared that if there is open discussion of our constitutional future excessive demands may be made, and the desire to make political capital will prevail over a sense of responsibility. It is thought that discussion by the members of parliament will add to the difficulties and create disunity rather than consensus. I have no doubt this is the reason the government has failed to set up a parliamentary committee to discuss the future constitution of Canada.

In my view this is a tragic underestimate of the sense of responsibility of members of parliament. It is my opinion that Canadians are capable generally, and elected Canadians are especially capable if they are given the opportunity, of getting down to the difficult but by no means hopeless task of solving their constitutional problems.

As I understand it, it was the practical politicians who laid the basis for confederation at a time when the divisions and distances in Canada were much greater than they are today. This house is representative, as no other group of people can be, of the people of Canada as a whole. We represent every region of Canada; we represent nearly all the politically significant viewpoints of Canadians. We represent practical political views vital to the solution of these problems.

It will be a grave disservice to the future of this country if the present lack of leadership continues. It is, of course, possible to exaggerate the importance of written documents. The unity of Canada does not depend on merely constitutional solutions. It depends upon a modest pride among Canadians; it depends upon good sense and patience. It also depends upon a willingness to tackle problems rather than shove them under the table.

The need for revision of the constitution is one of the most urgent tasks which face this country. We do not need constitutional revolution but we do need constitutional revision and we ought to be getting on with the job. We in this party entirely agree with the opening statement in the motion by the Leader of the Opposition, namely that this house regrets that Her Majesty's advisers have failed to submit any program to give effective direction with regard to Canada's constitutional development in this centennial year. But we do not believe that the calling of a constitutional conference at this stage would be useful. Such a conference, in order to prove fruitful, must be preceded by a great deal of study in this parliament and by a statement of the federal position. A conference called without a background of firm federal preparation could turn into a fiasco and be of little help. I was interested to see that in the amendment moved by the Leader of the Opposition there was no indication of the direction in which change should take place, no guidance as to the stand the federal authority might take.

I should like to refer now to the subamendment introduced by the hon. member for Roberval (Mr. Gauthier). We are frankly at a loss to understand what this amendment means. It was perhaps the product of a great deal of procedural ingenuity so as to fit it within the framework of the rules. We are, of course, very much concerned about the present day difficulties of dairy farmers. We have clear views as to the policies required in order to deal with those difficulties. But the subamendment refers to some sort of constitutional change or amendment—it is very vague—and it does not seem to us to have any bearing whatever on the present problems of dairy farmers or any other farmers, for that matter. We believe in the general statement of concern that is expressed in the amendment, but again we do not think it produces any sort of remedy which to us seems to make any particular sense and therefore we will not be able to support it.

• (4:00 p.m.)

In conclusion may I say that to many people a discussion of constitutional issues is a tedious and boring matter which they like to leave to constitutional lawyers. I believe, however, that it is one of the most practical and important matters which face us. I believe our workers and our farmers, all our people, can be aided in their search for a better life if we in this house, in parliament and in public life, tackle the problem of a careful thoughtful revision of our constitution. I think it would be wrong for any of us to attempt to lay down hard and fast prescriptions as to precisely what changes we think are necessary. I have outlined some of the changes which we in this party think are necessary. I call on the government to do what it heretofore has failed to do and start to give the needed leadership to the people of Canada.

Mr. Pepin: Mr. Speaker, if I may I should like to direct a question to the hon. member.

Am I right in thinking that special status as he defines it implies no change in the present constitutional situation toward a further decentralization in favour of Quebec particularly?

Mr. Brewin: I do not think it implies any change. I think that whether or not we give a special status there is plenty of room for a process of decentralization, particularly decentralization of federal intervention. I believe this is desirable, but I do not think that meets the problem of whether there is a special status required in such matters as education and perhaps urban renewal, to take two examples.

Mr. Pepin: Special status, the way the hon. member for Greenwood understands it, would seem to me to mean a special status in relation to changes which the hon. member would like to see brought about in the constitutional system. It seems to imply that the special status itself is only the constitutional status quo, as it exists now.

Mr. Brewin: I do not think so. As I said, one of the big difficulties is that we use expressions like "associated state", "special status" and so on which may mean many different things. Many people say that there already is in the B.N.A. Act a special status for Quebec which recognizes the historic fact of a different culture. All we are saying is that in the expanding function of government we believe there are some things which the province of Quebec might want to do alone and therefore should be exempt from federal jurisdiction but that the other provinces which may want to do these things together under federal jurisdiction should not be held back because legitimately and properly the province of Quebec says that this is something which affects its culture and therefore it wishes to retain control over it.

Mr. Jack Roxburgh (Norfolk): First, Mr. Speaker, I should like to extend my sincere congratulations to the mover and seconder of the address in reply to the speech from the throne. I think we all agree that their speeches were of a very high standard. At this time I should also like to pass on my sincere sympathy to the family of Mrs. Konantz, one who was truly loved and respected by all members of this house.

The day following the speech from the throne one of our leading daily papers summarized it in this way: "Something for everyone". I am very sorry to say that one type of business was not mentioned in the speech from the throne, one which plays a very important part in the economy of this nation. This type of business has also not been mentioned in many throne speeches in the past. I have in mind small business. Often we are led to wonder whether small business, like the small farm, is on its way out. There is certainly little doubt that small business is having one of the toughest times it has ever had to survive, and the cause is not solely competition from large corporations as many people seem to think. There are many other factors and I will deal with them separately.

There still is and must be a place for small business. Except via the small business route where else can an individual with the desire, the initiative, and of course always with a limited amount of financing, start. Be it industrial, retail, farming or fishing, it is all small business. Many of the large corporate business of today had their start in this very medium. As a member of the government party I almost hate to say this in the House of Commons, but while checking not with one but with many small businessmen not only in my own constituency but elsewhere in the province of Ontario and in other provinces throughout Canada I found that the one main factor that is working against small business is the autocratic bureaucracy of all governments in legislating their new way of life. It is a good life and it is all right to have such legislation, but by the time the small businessman meets the demands in respect of all the social and other benefits of government there is little left for his efforts. These efforts are not completed in an eight hour day or a five day week. They extend anywhere from 12 to 14 or 15 hours a day and in many many cases for seven days a week. The corporate business is better able to cope with the current trend since it is better equipped, better staffed and of course has greater financial stability than the struggling merchant or small industry.

A recent report of the Department of Finance pointed out that the steady decline of net income of non-farm, non-incorporated businesses from 8.5 per cent in 1949 to 5.5 per cent in 1965 continued downward to 5.1 per cent in the first half of 1966. I should like to point out that this drop in profit would appear to be exceeded only by farm operators, who represent another form of small business.

While talking to different businessmen throughout my constituency and in other parts of the country, a local small businessman pointed out to me recently that many

small businesses are acting as a training ground, which they can ill afford to do, for employees who are being taken by larger businesses. Many of these small businesses have spent a year or more training employees in the managerial aspect of their businesses only to have them grabbed up by big business. The experience gained by employees in small businesses enables them to obtain better positions at the expense of the small businessman. Small businessmen realize that this is part of the game they must play and they accept the fact, but this is an illustration of one of the additional problems the small businessman must face.

• (4:10 p.m.)

I am sure that the government wants to do something for these people operating small private enterprises, but the truth of the matter is, I am sorry to say, that the government does not realize their true plight. The local merchant to whom I referred suggested that wages and other benefits for labour are increasing. He suggests there is nothing wrong in this regard but feels that the government should direct some attention to the rather rocky road being travelled by those who wish to succeed in small private enterprises. Have we thought about these small businessmen who make up the heart of our economy? These are people who are ambitious to the extent they will work longer than a five day week or an eight hour day. If the efforts of these enterprising Canadians are to be curtailed by an overbearing bureaucracy then this nation will be brought to stagnation by two classes of people, those who want shorter working hours and those who are resting comfortably at the top of the business ladder. Surely this country does not want to see that happen.

In the majority of cases small businesses are family businesses, and I include in this category small farms and fishing operations. People in this category are becoming very disturbed about the fact that these are the only types of corporate enterprises not able to employ wives, pay them a salary and deduct their wages at the end of the year as a business expense as other corporate businesses are allowed to do. This creates an extreme hardship on the small businessman. Large industrial concerns are not particularly concerned about employing wives but many enterprises take advantage of the fact that the salary of wives can be deducted as a business expense. This leaves only the small businessman and the professional man as exceptions to the general rule applying to incorporated businesses.

In many cases the professional man is not interested in whether his wife works, but the small businessman often has to employ his wife in an effort to succeed. In this case the wife takes a greater interest in the business than an ordinary employee and puts in longer hours when the husband is away on business such as buying trips. However, at income tax time her efforts in helping to maintain the community enterprise are not rewarded as are the efforts of her counterpart in many other cases.

We as members of parliament must realize that there are valid reasons that no changes have been made in the act in this regard. However, we must realize that with the continuing trend toward amalgamation some thought should be given to easing the income tax restrictions regarding the part wives play in the successful operation of small businesses. I hope the government will give sincere and serious consideration to easing the restrictions in this regard.

When talking to these small businessmen one hears a great many different stories, but I should like to give one factual illustration of the discrimination which takes place. One young retail merchant I know lost his top employee not many months ago to a franchise grocery chain. As a result his wife had to increase her number of working hours until a replacement was found. That happened two months ago and a replacement has not yet been found. This is a young family with small children and a part-time housekeeper had to be hired to look after the needs of the children. Had this family been in a position to hire a full-time housekeeper they could deduct this expense as a business item. The family was not in a position to do so and as a result cannot classify the housekeeper's wages as a business expense. Something is wrong with our system when some sort of adjustment cannot be made to help small businessmen under these circumstances.

Originally under the Small Businesses Loans Act the government guaranteed chartered bank loans to small enterprises engaged in manufacturing, wholesaling or retailing or service industries to a maximum of $25,000. These loans must be secured and may be repaid over a period of up to ten years with an interest rate of 5½ per cent. One might think these people could go to the bank and easily obtain a loan but nothing could be further from the truth in the past few years. I

know of dozens of small businessmen who have not been able to get a loan from a chartered bank under any circumstances. Many of them were advised by bankers to try to obtain a loan somewhere else because of all the red tape involved. I am not suggesting something that is not factual. The banker who gave me this information told me that from the time a small businessman made his application to the time he received the loan from the bank he would forget what he wanted it for. Let us face the facts. In plain language, during the past few years at least —I am not going into the future but am talking about the past—the banks were just not interested in making loans to small businesses. Let nobody, including the Minister of Finance (Mr. Sharp), suggest that they were, because they were not.

• (4:20 p.m.)

Under a recent revision of the Small Businesses Loans Act by the Department of Finance, companies in construction, transportation and communications will qualify for small business loans for the first time. The maximum gross revenue of companies eligible for loans has been doubled from $250,000 to $500,000. This should benefit particularly small trading firms whose profits are at a low percentage. The interest rate is, of course, 5½ per cent as before.

It may be asked, what is the difference now? The difference is found in the atmosphere created by the changes in the Bank Act. With interest rates dropping and the prevailing rate holding at about 6 per cent it is now felt that, having regard to the 5½ per cent guaranteed by the government of Canada and the 6 per cent charged by the banks, a difference of only half of 1 per cent, the banks will now be more generous in lending money to small businesses. We hope this will be so.

Everything nowadays points to expansion in business, in farming and every other line of industry, the thought being, of course, that the larger the unit the more economic it is to handle. That is all very fine, but let me say now that bigness in business is possibly getting a little too big, and its coming is doing away with incentives to the average individual who does not want to become just another link in a chain that is putting incentives in the hands of a very few. Let us not forget that when an individual loses desire because of little or no incentive it is not only bad for the individual but for the community and the country in which he lives.

[Mr. Roxburgh.]

I do not think the good old opposition on the other side of the chamber will disagree that the economy of the country has never been better than at the present time. But—here is that great word "but"; if it were not in our language I do not know what we would do—what will happen if the economy of the country should slacken off rather drastically? No one will ever want to see a return of the conditions of the 1930's, no matter what party forms the government. But who is to say this is not possible? The thinking now, as we hear it from the Prime Minister (Mr. Pearson) and other people, is to the effect that the future will see a guaranteed average income for the people of Canada. That is fine. I only hope it will prove to be true. We all hope it will prove to be true. But as the Prime Minister very forcibly pointed out, this can only be accomplished if the economy of the country is kept at a very high level.

May I, as a very ordinary backbencher who has had the privilege of being in this house for at least three sessions, give this little warning. A friend of mine said that backbenchers do not have much say in this house. That is wrong, because we do. There is no argument about this; the proof of the pudding is in the eating. But let me issue this little warning. No matter what we do in Canada to promote our economy, a country such as ours which depends so much on its exports—the Kennedy round of negotiation is just finishing—in order to keep its economy sound can only be as financially sound as the nations with which it deals. If we had to export only 10 per cent of what we produce in this country, that would be different. In other words, the future economy of Canada depends upon the future economy of the countries of the world.

I would like somebody to answer this question before I conclude. What happened to large business and industry in the 1930's? What would happen to large business now if there were a sudden drop in the country's economy? I believe that any person in business knows that many businesses are existing on a very marginal profit at the present time. I would like to deal with the situation in the 1930's because there are many young people in parliament and the young people will be running our country in the future. They have the education to enable them to do this but they have not had the experience of the 1930's. Very often it is a good thing to have had experience. Nobody can deny that big business crashed in the 1930's, taking thousands of large and small investors with it

as well as the workers in those industries. What happened to small business in the 1930's? Small business carried the load and managed to survive and those that did not survive hurt but a few.

Before the 1930's it was my privilege to work on a large ranch in the Okanagan. I am very sorry that some of my good western friends and those from the prairies are not in the house at the moment. It may be difficult for people to believe, and even more difficult for me to believe now, that I actually hitched up and drove eight horses at a time. I worked on a very large ranch of thousands of acres. While there I made a friend who had a 25-acre fruit farm. Before the 1930's he was doing well. Mrs. Roxburgh and I had the privilege of going back there a number of times during the 1930's and later. During the 1930's my friend with his small, 25-acre fruit farm, his Chinese cook and very limited help during harvest, was able to make a small profit. That small profit was enough to allow him to go south for a couple of months during the winter.

There were two large ranches in the area. What happened to them? I will not mention any names in this connection. The two large fruit, grain and cattle ranches of a few thousand acres in size, which had been doing nicely before the 1930's, lost money and had to sell packets of land of 25 to 50 acres to people coming in from the midwest so the owners could pay their water rates and taxes. My friend with his small business did not have to do that. I understand that eventually one of the larger ranchers went completely bankrupt.

• (4:30 p.m.)

In conclusion I simply say: Let us not be carried away by all this bigness because it can become too big for our good. This government or any other government must somehow make it possible for small business to carry on so that it can not only play its part in the economy of the country but, what is most important as far as I am concerned and I know as far as all hon. members are concerned, provide the opportunities for advancement which it offers to the people of Canada. To keep small business alive is a must.

Hon. J. A. MacLean (Queens): Mr. Speaker, I wish to begin by congratulating the hon. members for Burin-Burgeo (Mr. Jamieson) and Nicolet-Yamaska (Mr. Côté), the mover and seconder of the address in reply. I think their speeches were of very high calibre and I would like to congratulate the mover especially.

I think the throne speech debate should be a free expression of views and ideas by all members of parliament. This should be an occasion when ideas come up from the grass roots to the government rather than the reverse, which is what happens most of the time in a session of parliament when the members of parliament are required to pass judgment on programs which are put before the house by the government. Over the years I have heard many good ideas put forth by private members in various parts of the house in this and other debates of the session. When they were not considered newsworthy, regardless of their merit they seemed to go completely unnoticed and now they exist only in an embalmed state in the tomes of *Hansard*. Sometimes I think there should be some sort of group, either composed of members of the press or perhaps of members of the research branch of the parliamentary library, which might prepare a digest of the debates so that the public could receive in capsule form information about what the members of parliament are thinking and speaking about because, generally speaking, the public seems to think that members of parliament are mainly engaged in squabbling with each other and that they never come up with anything that is really constructive.

This is our centennial year and I believe we should attempt to look not just one year ahead, as we usually do at the opening of a normal session of parliament, but to look ahead at a whole century. We will not be very successful in doing this but the mental gymnastics involved will at least be helpful, I think. That being the case, of course, we will only be able to look at the high spots of these very greatly widened horizons and the details will have to be examined at some other time.

Members of parliament usually speak as representatives of their constituents and their constituents are considered to be the only people they represent. I think this was probably true to a large extent 100 years ago but owing to the fact that the world is shrinking members of parliament, elected representatives and leaders in all fields are becoming more and more the representatives of a greatly widened constituency. They are becoming the representatives of the whole of mankind. What we do or fail to do may well in the future determine the success or failure of the whole of humanity.

If I were to choose a theme for the rambling remarks I intend to make perhaps I would suggest that it be terre des hommes, man and his world, which is the theme of Expo '67. I realize that I am running a great danger here because the title of the book which gave its theme to Expo was translated into English as "Wind, Sand and Stars". It might be said of my remarks that I intended to make a windy speech throwing sand in the eyes of my opponents so that they would see stars. However, I should like to point out that this is not my intention because in this book the wind is the wind of the spirit, the sand is the earth from which we sprang and which gives us sustenance, and the stars are our place in the cosmos.

My interpretation of the theme "man and his world" bears absolutely no relationship to the one given by Expo, but I should like to say that man's relationship to the world has changed rapidly over a relatively short period of time. In the days of the Greeks and the Romans, the civilizations from which most of what we cherish has sprung, the known world was a very limited area around the Mediterranean sea and everything beyond that was terra incognita. It was the unknown world. But as time progressed and Marco Polo and others made contact with other civilizations in other parts of the world, man's horizons began to widen. Later came the marvelous era of discovery across the oceans. Nevertheless during this period the thoughts of men were governed by the fact that, as Aristotle said, the earth was the centre of creation and everything revolved around it.

About 300 years ago a new, revolutionary and earth-shaking philosophy was put forward by the astronomers of the day who were made to suffer for their views. Galileo, Brunnow and Copernicus put forward the shocking suggestion that perhaps the world was not the centre of everything and that we, the little egocentric beings, were not the most important or the whole of God's creation. Then, as men's vision began to widen they saw that their place in the universe was not as great as they had previously supposed. With the aid of telescopes men perceived the grandeur of the constellations. They began to realize that space was a vast extent. They believed, however, that the sun was the centre of creation and the planets revolved about it. The other stars were of no significance.

• (4:40 p.m.)

With the building of bigger and bigger telescopes developed by amateurs like Herschel they began to realize the magnitude of creation. In a paper which he read to the Royal Society in 1785 on the construction of the heavens Herschel, who professionally was an organist in Bath, England, explained why he found it necessary to build larger telescopes. He stated that to the unaided eye the milky way appears as a diffuse band of light across the sky. Through a small telescope it seems to be a collection of stars but many nebulous patches remain unresolved. Herschel said that as the power of the telescope is increased an observer perceives that those objects which had been called nebulae are evidently nothing but clusters of stars. He finds their numbers increase upon him, and when he resolves one nebula into stars he discovers ten new ones which he cannot resolve.

[Mr. MacLean (Queens).]

The British astronomer, Professor Lovell, points out the difficulty encountered by the mind of man in resolving his insignificant place in creation. He said that the egocentric idea was so firmly embedded in men's minds that even after the acceptance of the motion of the earth and the planets around the sun it was still believed that the solar system was in the centre of the universe of fixed stars. He says he was brought up on the idea that the sun was in the centre of a stellar system of many millions of stars distributed throughout such a volume of space that light would take 20,000 years to traverse the universe. Then he goes on to say that in later years he realized that we are not only cosmically small but we are in a rather undignified position amongst the stars of the milky way.

I should interject here, Mr. Speaker, that occasionally since I have been a member of parliament I have tried to make the odd speech which would expand our view and look at things in perhaps a philosophical light. Like most speeches of that type, they went completely unnoticed. As I have said, they are embalmed in the tomes of *Hansard*. Once in a while I am moved to make another just to keep them company. This introduction to my remarks merely serves to point out that in the last 100 years there has been a tremendous expansion of imagination, of thought and of understanding of our world. We have to rise to the occasion to assess and understand the significance of our world better than we did in the past. We know now that our galaxy is only one of millions of galaxies in the universe. Our galaxy, which is the milky way, is so large that it takes light about 100,000 years to cross it from side to side. However, it is minute compared with the whole of the universe.

As a matter of fact, galaxies like ours are so numerous in the heavens that they are counted in the thousands of millions. With the modern equipment which has recently been developed it is possible to locate and measure these galaxies out in space. The Harvard observatory has become so efficient in this operation that they are able to locate and chart new galaxies as large as ours at a cost of about $52 a hundred. However, each of these galaxies contains up to thousands of millions of stars, each one as significant as our sun.

As a result of world war II there have been tremendous advances in man's understanding of the environment in which he lives. This has been brought about chiefly by three things. The first was the putting into operation of the 200-inch optical telescope at Palomar in California, then the development of radio-astronomy, and finally the artificial earth satellites. We have now reached the place where we can probe into space a distance of about 6,000 million light years. A light year, of course, is the distance that light will travel at a rate of 186,000 miles a second in a year. However, the expanse of the universe is so vast we can no longer assume we are alone. Even if we assumed that the chances of a star like our sun having in its orbit another earth like ours that would be suitable for life were only one in a million, there would still be hundreds of millions of places where life probably exists.

How do we shore up our ego when we realize we are no longer the centre of creation and that we are only a recent phenomenon? We have not proven our ability to survive. We can create no impression of significance as a result of size or anything of that sort. This probably makes us feel rather humble and insignificant. When men believed they were the centre of everything, the centre of creation, a certain type of piety was very common. It still exists, even amongst members of this house. I can think of one case in the group to my left and one amongst the government of a very strong sense of piety, but it is a piety that stems from a reverence for the supreme being based upon his supposed resemblance to themselves. This idea is no longer enough for us. We must find some other reason to give meaning to the fact that we exist.

To what can humanity turn now to justify its existence? I think, Mr. Speaker, the thing that is unique about us is the human mind, the ability to wonder, the ability to record our own history and the opportunity, very rarely taken, to learn from the experience of our species. There is the ability also, which apparently no other form of life has to any great extent, to anticipate the future and try to plan for it. Unlike many forms of life, such as insects which come into the world inheriting all the knowledge they need, man has to learn. This puts a very great load on him as our fund of knowledge increases. It means that the learning process must be efficient and probably must be ever increasingly longer. There is, of course, the opportunity continuously to rise to higher and higher levels of understanding, something that is denied other forms of life. This is what has enabled man to achieve such glorious developments.

• (4:50 p.m.)

There is a great place for youth in our society but there is a great onus on youth to learn from experience and not to believe that youth knows it all already. I think that one of the great problems of our society which will be facing us in the years ahead is succinctly stated in the old German proverb which says that our difficulty is that we get wise so slowly and get old so quickly. One of the great questions which has to be solved in the years ahead is to develop medical science so as to eliminate premature senility. In this event, having educated a person we can then draw upon his knowledge, experience and judgment for as long as possible.

As a nation we are in terms of average age becoming older and older. A great deal of nonsense is uttered on this subject in newspaper editorials. I am shocked and surprised that editorial writers do not bother to consult easily procurable facts but try to create the impression that there are more young people in the country than was ever the case before and therefore we should immediately hand everything over to people under 25 or under 35, depending on the view of the editorial writer concerned. The fact of the matter is that we are becoming older and older as a nation. It is true that in 1966 it was estimated that 49.4 per cent of our population was under the age of 25. But in 1871, Mr. Speaker, 62.2 per cent of our population was under the age of 25, so we are becoming an older and older nation as time goes by.

The next most important question facing us as a nation and as a civilization is the struggle that is going on for the conquest of men's minds. We in the west seem to be oblivious almost to the titanic struggle for men's minds that is occupying those who would destroy

our way of life. I fear that we are frequently being brainwashed without even knowing it. It is the avowed purpose of the communist world to attack our institutions by talking about peaceful co-existence, planting in our minds the idea of peace at any price, world disarmament, one world government, east and west trade, all of which are good.

They also preach atheism and tend to promote an attempt to destroy the family, the basic unit of our civilization. They promote class warfare in one form or another. They instigate all kinds of vice and degeneration, especially among our youth. They disparage everything and everybody that made the nation prosperous, strong and respected. They deride the armed forces, especially the police. They stress and magnify all the ancient problems of humanity as if they were something particularly limited to the capitalist system. This is not the case.

We are also faced with the great problem caused by the tremendous development in mass media communication. All of us listen to radio and television. These are media which could be a tremendous force in giving our civilization and our people information. However, usually they peddle propaganda, either consciously or unconsciously.

If this debate served no other purpose than to put on the record some of the words of the hon. member for Burin-Burgeo, I think the time spent by parliament would be richly rewarded. The hon. member said, as reported on page 25 of *Hansard*:

> But I want to say to this house with all the conviction at my command, and with the plea that hon. members accept my sincerity, that what we know about television is dangerously little. I am appalled by the comments made so frequently by so many people, and with such conviction, on the basis of so little hard evidence.
>
> I am held in awe sometimes by the power of this medium, by its ability to reach millions of Canadians at the turn of a switch. I shudder at the casual, offhand manner in which television sometimes deals with issues which can affect the survival of mankind. We hear a great deal about television's "hidden persuaders" and their ability to induce people to buy brand A in preference to brand B, a quality which is frequently condemned. What is too often overlooked is that those same hidden persuaders can also be used to sell ideas and doctrines which are not necessarily in the public interest. I do not suggest that television is being used subversively. The tragedy is that even if it were we do not possess enough knowledge to know.

I wish that extract from the hon. member's speech could be framed and included in the price of every television set so that all could read it before turning the set on.

[Mr. MacLean (Queens).]

If we are to survive, Mr. Speaker, I believe our objectives should be truth, excellence and character. In this connection I should like to quote from a very worthy newsletter recently published by the Royal Bank of Canada:

> Everyone's life is spent in the pursuit of self-fulfilment, but not everyone reaches his objective. The man or woman who succeeds is a person who has realized in time that satisfaction does not arise merely from being good at something, but also from being a certain kind of person.
>
> Such a person is not content to dedicate his life to small purposes. He has quality in his ambition. He does not strive to amass stuff to feed his vanity, but does his best to become somebody who is esteemed. He wishes to be, not merely to appear, the best, for this is the mark of quality.
>
> The person of quality realizes that there is something beyond success: it is excellence. One may be successful in the eyes of the world without touching the Golden Fleece of excellence, for excellence is in the person and is not conferred by the greatness of the office he holds. It is typified in what the goddess Athene said of Ulysses, that in him "deed and word notably marched together to their deliberate end".

I believe I have another five minutes, Mr. Speaker, so I should like to devote about one minute to each of the subthemes of "Man and his World", first of all, "Man the Explorer". In the next 100 years man the explorer must devote his attention to exploring the cosmos, the sea around us, and the planet on which he lives. Most important, he must explore his own mind to realize its weaknesses and its potential.

• (5:00 p.m.)

I speak of "Man the Creator". If we are to have a creative society in the next 100 years we must develop an environment where man will have time to contemplate, as Newton had in his orchard, where man will have the incentive to create, where our spare time is not devoted to useless and terrible escapism from the world, but rather where man will face the problems of the world and try to solve them. Man the creator must appreciate excellence. We must discover what the good life is, set it as a goal and progress to it.

I speak of "Man the Provider". In the next 30 years as many more people will be added to the population of the earth as live on the earth now. Demand for food and clothing is going up by geometric progression, and our ability to meet this demand is not going up at such a rate. Man must learn to provide for his increased numbers or he must learn to limit his numbers. This will be one of the great problems in the first quarter of the next century.

I speak of "Man the Producer". We are on the threshold of an age of marvelous productivity brought about by the harnessing of energy that 25 years ago most did not dream existed—atomic energy.

My time is almost up. I could go on for another half hour but I shall conclude in one more minute by saying that the most important science for man to learn is the science of producing and distributing wealth. The science of economy is no more advanced today than was the science of medicine 300 years ago. We are surrounded by economic quackery and economic witch doctors on all sides. They try to apply their nostrums to the curing of man's material wants. It cannot be done that way.

We must have research and we must develop thought on how man's needs may be met. Most important, the meeting of man's physical needs should not be an end in itself but a means to an end to allow man to live the better life which will justify his existence, though he knows that he is a recent phenomenon only, existing on a speck of dust in a far off corner of the sea of space.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, after the others, I should like to express my deepest sympathy to the family of Mrs. Konantz whose charitable spirit we have learned to appreciate as well as the exceptional qualities of her character. All who sat with her were deeply grieved when they learned of her passing.

I should also, Mr. Speaker, like to express the usual congratulations to the mover and seconder of the address in reply to the speech of the throne (Messrs. Jamieson and Côté). The usual congratulations also to the new Governor General, the Right Hon. Roland Michener who is the worthy successor of a worthy predecessor. He is the symbol in Canada of the supreme authority; he is also the representative of Her Majesty the Queen. In such circumstances, all zealotry should be set aside and the merits of such a distinguished function as that of Governor General should be recognized.

On the other hand, Mr. Speaker, this does not prevent the hon. members of parliament, even if they can conform to the requirements of the constitution and of respect to the authorities, to consider the reforms that must be made and which become necessary with the passing years.

• (5:10 p.m.)

I can understand that the member for Winnipeg South Centre (Mr. Churchill) should be galled to find reformist elements in the Liberal party. All the more so because he belongs to a party reputed for always looking to the past. On this side of the house, we see no sacrilege, we see no desecration of authority, when members prove capable of envisaging reforms which sooner or later will become realities.

Mr. Speaker, I feel the time is most appropriate for making the observations I should like to make, especially in view of the intervention of the member for Winnipeg South Centre this morning. I take the liberty to point out to him that there has been quite a change since 1945, let us say in the symbolism of Canadian sovereignty.

Before 1945, Canada's official flag, or at least the flag recognized, was the union jack. It is a flag which still deserves honour. After the war, it was realized that Canada has sufficiently matured to assert its sovereignty by means of a distinctive symbol. Thus, on a temporary basis, the red ensign, another flag which deserves honour, was flown as the Canadian flag.

A little later on, in 1952, when all previous governors general were British, the decision was made in a spirit of better Canadianism, to appoint a Canadian-born governor general.

In 1953, Queen Elizabeth succeeded George VI who was not only king of England but king of Canada, as sovereign of Great Britain. As a matter of Canadian pride, it was decided through some point of law to make of the sovereign of Great Britain the sovereign of Canada and to see in the person of the sovereign of Great Britain two separate persons: the British head of state and the Canadian head of state.

A little later, namely in 1964, Mr. Speaker, always in order to eliminate the symbols of colonialism, always in order to stress even more our Canadian pride, it was decided to adopt a distinctive Canadian flag, a flag which is honoured today by all Canadians whatever their political allegiance. And later again, that is in 1967, "O Canada" was officially designated as the country's national anthem.

What does it mean, if not a steady evolution towards the symbolic assertion of Canada's sovereignty? And since we are caught up in that evolution, why try to create a scandal, suspect a revolutionary spirit or

accuse of sacrilege whoever foresees the possibility of the supreme authority of the country eventually being held by a Canadian-born citizen? There is nothing scandalous in that. In addition, this does not mean that the supporters of such a reform have no respect for the constitution, or for the British sovereign.

Mr. Speaker, all those things are not said by a so-called French Canadian, but by a Canadian period. We are all Canadians and we are even prouder in 1967 to be Canadians. That is why, belonging to the younger generation, I think it is normal to foresee the possibility of all symbols of colonialism disappearing.

Mr. Speaker, that may not be the official policy of the Liberal party—I think it is far from being their official policy, since the Prime Minister (Mr. Pearson) himself said that it was not and that Canada remains a monarchy—but the members of the young generation have a right to look forward to reforms which will one day become a reality.

Mr. Speaker, I say that because I am happy to be in the Liberal party, for no Conservative would be able to speak like that without being considered a pariah or a renegade by the members of his party. What a scandalous way of talking! This proves that there is democracy and freedom of expression within our party, and we owe that above all to the Prime Minister, who is perhaps the greatest democrat Canada has ever known.

Some hon. Members: Hear, hear.

Mr. Choquette: It is the more true that there is a lack of democratic principle within the Conservative party that since 1964, the same pople who accused us of using a gag —how many times have they not recalled the famous pipe-line debate and even, sometimes, the debate on a distinctive flag when closure had to be applied—are those who, on three occasions, have prevented members from introducing bills or resolutions. Do you want proof of that?

In 1964, I presented here a bill so that Canada would no longer be a dominion. What scandal! Who objected? The hon. member for Winnipeg South Centre who rose to prevent me from introducing my bill. That is democracy as understood in the Conservative party.

In 1966, I wanted to introduce a bill so that the cabinet could withdraw from the field of commutation of death sentences. Who rose to stop me from presenting my bill? The Leader of the Opposition (Mr. Diefenbaker) himself.

[Mr. Choquette.]

That is democracy according to the Conservative party.

And this morning, the hon. member for Winnipeg South Centre rose to prevent me from moving a resolution. That is democracy, according to the Conservative party, a party which wants to curb democratic freedoms.

That is why in the province of Quebec, where democracy and individual freedoms are appreciated, our friends will not make much headway at any time in our history, since they do not know how to adjust to the Canadian fact.

The hon. members for Prince Edward-Lennox and Cumberland (Messrs. Alkenbrack and Coates) made statements similar to that of the hon. member for York-Humber (Mr. Cowan). Once, the hon. member for Prince Edward-Lennox objected violently to the policy of bilingualism put forward by this government. The hon. member for Cumberland has also written some scathing articles to denounce the stand taken by this government towards bilingualism. The same political-philosophy was expressed by the hon. member for York-Humber.

• (5:20 p.m.)

The difference lies in the fact that the other side of this house registered no official disapproval of the remarks made by the hon. members for Cumberland (Mr. Coates) and Prince Edward-Lennox (Mr. Alkenbrack), while on this side of the house, the hon. member for York-Humber (Mr. Cowan) was officially blamed for his remarks. Why? Because these remarks reflect precisely a philosophy which is inconsistent with the Canadian fact.

The best indication that the Conservative party will never adjust—at least has never managed to adjust to the Canadian reality—is the frustration felt by all those from the province of Quebec, who belonged to that party, for instance, the former hon. member for Roberval (Mr. Tremblay), who sat in this house from 1958 to 1962 and who was the colleague of the hon. member for Winnipeg South Centre (Mr. Churchill), as he will remember since they attended the Conservative caucus together.

What has become of the one who was the member for Roberval from 1958 until 1962? He is now a separatist, anti-confederation; such is the corollary of a party maladjusted to the Canadian fact.

In 1958, there was a Conservative candidate, by the name of Yvon Groulx. Today, he

is the president of the so-called Société Saint-Jean Baptiste. He is also against confederation, a professed separatist. He was a Conservative candidate in 1958.

Mr. Speaker, the hon. member for Sherbrooke (Mr. Allard), who sat at the Conservative caucus and was a colleague of the hon. member for Winnipeg South Centre, or better his colleague and friend, what is he now? He does not miss any opportunity to state theories which border on separatism; he never misses an opportunity to expose the actual or imaginary faults of confederation.

That is what comes of a party which never learned to adjust itself to the Canadian fact. Therefore, all the Quebec members who once belonged to this party are now either disillusioned, down hearted or separatists. That is why an ill-adjusted policy is unfortunate. On the other hand, thanks to the generous leadership of the present leader of the government, the policy of the Liberal party makes allowances for the true situation in Canada, that is, a policy designed to integrate the French fact to the Canadian reality.

Mr. Speaker, many false notions should be eliminated with regard to the policy of bilingualism. First of all, it should be clearly stated that it will never be the government's intention to compel anyone to learn a language. It would be an anti-democratic move and we could never support a government trying to force anybody to learn a language. This is the first prejudice that must be dispelled with regard to the policy on bilingualism put forward by the present government.

The second prejudice that should be eliminated is that in the Canadian constitution—the British North America Act, to use if you like an expression more attractive to the hon. member for Winnipeg South Centre—section 133 states:

> Either the English or the French language may be used by any person in the Debates of the Houses of the Parliament of Canada and of the Houses of the Legislature of Quebec; and both those languages shall be used in the respective Records and Journals of those Houses; and either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada established under this act, and in or from all or any of the courts of Quebec.
>
> The acts of the Parliament of Canada and of the Legislature of Quebec shall be printed and published in both those languages.

Such a section, Mr. Speaker, does not give any priority right whatsoever to one or the other of the two languages: It simply consecrates the official character of one as regards the other.

Mr. Woolliams: What section are you reading from?

Mr. Choquette: Section 133 of the British North America Act.

He simply recognizes the existence of two languages, without giving priority to one or the other. Why are both languages firmly rooted? It is very simple: there are 12 million English-speaking people and between 5 and 6 million French-speaking people in Canada, and as long as the Canadian situation remains the same, it is obvious that both languages will be respected, accepted and considered as official languages in Canada. It is not legislation which gives superiority to one language over the other.

The third prejudice which must be eliminated, Mr. Speaker, as far as bilingualism is concerned, is that you cannot request every citizen to speak both languages perfectly. You simply have to provide an individual with the possibility of speaking in his own language and being understood by the person to whom he is speaking, and the latter, if we wants to speak in his own language, must be assured that he is understood in his turn. It is not a matter of demanding that someone speak both French and English with great fluency but rather a question of being assured that one will be understood when speaking in his own tongue and of having the technical facilities to allow this.

This means that when the policy of bilingualism is well understood, when it is free of all prejudice, it is obvious that the steps taken by the present government are merely of a nature to seal Canadian unity and prevent certain extremists, of whom some former Conservative members or candidates, from taking advantage of a sometimes confused situation to try to break down the structures of the country, which structures we want to strengthen.

Mr. Speaker, before closing my remarks, I should like to say a few words about the amendment proposed by the member for Roberval (Mr. Gauthier) and pay tribute to his exceptional ability in having managed to introduce, in the course of this debate, the amendment he has moved.

The farm policy of the government of necessity has some weak points; one must not fail to be objective to the point of saying that it is beyond criticism. But it can be said as a preamble and to motivate rejection of the motion introduced by our friends of the

Ralliement Créditiste that it is better to support a government which has unfailingly considered the needs of the farmers with a clear sightedness and understanding never shown on the opposite side of the house.

When the farmers asked for the establishment of the livestock feed agency, the present government introduced and implemented legislation. When the farmers asked for the establishment of the Canadian Dairy Commission, the present government introduced the bill and granted the request of the farmers. When Quebec farmers asked for crop insurance, the present government amended the federal Crop Insurance Act and thus enabled the provincial government, the Quebec legislature, to adopt a similar bill not so long ago.

When the farmers asked for the extension of unemployment insurance to farm labour, the present government understood their request and agreed thereto. For several years, farmers have benefited by substantial increases in the price of manufacturing milk. One remembers—and this was repeated several times—that before 1962, milk sold for approximately $2.70 per hundredweight.

• (5:30 p.m.)

Within a short period of time, the price of milk was raised to $4.75 per hundredweight, and when I say $4.75, that includes the export subsidy.

Mr. Speaker, considering all those measures, one would rather support the present government, which put them forward, instead of criticizing it and voting against its policy. This does not mean that no reservations could be made, and that is what I would like to do. I would like to ask all those who support indiscriminately all representations and demands, wherever they come from, if in those circumstances there is not a little demagoguery in their attitude.

If the farmers had asked for $7 per hundredweight, some hon. members in this house would have said: We must give the farmers $7 per hundredweight. If they had asked for $8 or $9 per hundredweight, some hon. members would have said: We must give the farmers $8 or $9 per hundredweight. And that, without asking themselves if it would be possible to grant such subsidies to the farm people.

Last year, subsidies paid to the dairy industry amounted to approximately $90 million. This year, they have gone up to $120 million, that is, an increase of $30 million. No one, more particularly among our Créditiste friends, has told us exactly where the national budget should be cut so that the demands of the dairy farmers might be met.

Their demands have merely been shouted with strength and vigour without anyone specifying how they could be satisfied. This often points to the lack of responsibility of members of the opposition. While being sympathetic to the farmers' demands, the administrators must nevertheless be responsible enough to maintain a budgetary balance and avoid any extravagance.

The farmers should be asked whether or not they intend to request the provincial authorities to make up the balance they claim.

The government of the province of Quebec should also be asked to fix a guaranteed price which the manufacturer would have to pay the producer.

Such a policy exists in Ontario and British Columbia. The Quebec government has not seen fit to implement it. The farmers could perhaps request its implementation since, as the hon. member for Roberval (Mr. Gauthier) rightly pointed out the other day, a number of factories do not pay the fixed price of $3.54 which, added to the federal subsidy, gives the total price of $4.75 announced in the dairy policy this year.

Since this falls within provincial jurisdiction, I feel that it would behoove the Quebec authorities to set a minimum price, as it already exists, and then they could address themselves to the Quebec parliament and organize marches to obtain it.

Mr. Speaker, I could make another suggestion which concerns the federal authorities. Manufacturing milk is now subsidized on the basis of its fat content, but it is proved that the non-fat solids also have some value; it often happens in the milk industry that some non-fat solids are of superior quality in some milks than in others This goes to say that milk could be subsidized, not only on the basis of butterfat, but also on the basis of non-fat solids.

Mr. Speaker, I would also like to suggest that it might be most advisable for the government to re-examine or rather to make representations with the Canadian Dairy Commission, for that is the body which took the final decision to base quotas on the 1966-67 production.

Perhaps that was a hasty decision that should be reconsidered, and perhaps it would be appropriate to urge the Canadian Dairy Commission not only to pay the subsidies and

to fix quotas based on last year's production, but also to provide for increased production and to subsidize a proportion thereof.

It means that if the farmer produced, in 1966-67, 150,000 pounds of milk, the quota under which he will receive a subsidy for his 1967-68 production will be set a 150,000 pounds of milk.

What will happen to the farmer who will produce 200,000 or 250,000 pounds this year? That is where I feel the Canadian Dairy Commission should provide for a readjustment of quotas and allow part of the increased production to be subsidized.

Finally, a last suggestion to the federal authorities, Mr. Speaker. Would it not be advisable to put into operation a program which, for one thing, was already forecast in the 1962 election platform, when a program dealing with milk consumption in schools was under study? It may be a way to avoid overproduction and enable farmers to dispose of their production. The establishment of an extensive program of milk distribution in schools would also satisfy a wish expressed throughout the years.

On the whole, Mr. Speaker, and in spite of those reservations, I must say that I am very pleased with the policy set forth by the government. Our concern for the farmers has been sincere and we therefore deserve their confidence. That is why I shall readily vote against the motion introduced by our friends of the Ralliement Créditiste.

[*English*]

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, in taking part in the throne speech debate it gives me great pleasure to join with other members of the House of Commons in congratulating the mover and seconder. I have always believed it to be a great honour for the members who are chosen by the Prime Minister. They have, I am sure, felt that honour and have discharged their tasks with great distinction, and I say that in all sincerity. I have been a member of this house for some years and I feel that their contribution to this debate was perhaps greater than any they may make later.

It always gives me great pleasure to follow my good friend the hon. member for Lotbinière (Mr. Choquette) because he has far different ideas about things than many other members. Perhaps this is what makes this place so refreshing. I always think of him as the hon. member for Windsor Castle. He is the great republican in Canada. He is a man who can take his oath on the Bible swearing allegiance to the Queen and accept his pay 30 days later without bother to his conscience. Be that as it may, perhaps we need people who think differently in this house because when everybody thinks alike there is no thought.

Today I intend to speak about the law of expropriation, but before getting into the meat of that subject let me say that we as members of parliament can never be sure what will happen during orders of the day. I cannot help but think back to 1962-63 during the Cuban crisis when the older frontbenchers of this Liberal government were sitting on this side asking us at that time to rubberstamp everything done by the United States. It is amazing to note the change in attitude and responsibility of those hon. gentlemen when they moved from one side of the house to the other.

At this time I should like to ask the Liberals in this house what happened to the marriage between certain powerful people in the United States and the Liberal party which allowed them always to take two sides on every question in order to safeguard the government's position in maintaining power. I have always found this very unusual. They are the people who jumped right in with both feet with the United States on any foreign affairs policy without asking any questions. That was the position taken by the hon. member for Essex East (Mr. Martin) long before he thought he would be the minister of external affairs.

According to the headlines appearing in the newspapers today the Acting Prime Minister (Mr. Winters) would not say that the Prime Minister (Mr. Pearson) or the Secretary of State for External Affairs (Mr. Martin) would repudiate the position taken by the President of the Privy Council (Mr. Gordon) so far as Viet Nam is concerned. They were able to repudiate that position outside the house because they fear what might happen to public opinion so far as they are concerned.

• (5:40 p.m.)

I am not going to get into a debate on the situation in Viet Nam. I think this house knows my personal position with regard to that situation. But one thing I often wonder about is, how many of us in this House of Commons, how many people who endeavour to speak with some degree of intelligence on Viet Nam, know the facts and what is behind those facts? As the hon. member for Queens

(Mr. MacLean) and somebody else on this side of the house said this afternoon, the very least we can do if we do not know the facts is to remain silent.

Mr. McNulty: Then why don't you do so?

Mr. Woolliams: I have not passed an opinion on the war in Viet Nam in this speech up to now, but I say that the very least one can do if one does not know all the facts is to remain silent. I am not talking about members of parliament in particular but rather the protest groups referred to today by one hon. member.

I suppose everyone would like to take a few minutes in this debate to say a few words about our centennial year. I believe all members of parliament were asked by Malvern Collegiate Institute in Toronto to make a prediction about what would happen 100 years from now. I could not help thinking, after listening to the speech of the hon. member for Lotbinière this afternoon, that perhaps many of us are too parochial. I am not completely clued in myself in this respect, but perhaps many of us are so parochial and so regional that we really cannot see what is happening beyond our own communities, not only in the rest of Canada but internationally. We worry about languages, we worry about cultures. But when you get outside Canada and pick up a newspaper you wonder whether Canada exists internationally because you are lucky to find two lines dealing with Canadian affairs in any international newspaper.

We are so parochial and regional-minded that I was prompted to answer the collegiate and make the following prediction about what the situation would be 100 years from now. I think these words apply to all of us. I sincerely believe that the most important thing for Canada today is that we work together, become unified and stay together. I believe we must have open minds. I have an open mind about the hon. member for Lotbinière. He does not like the Governor General, the Queen, and similar institutions. In Britain he could make a wonderful speech in Hyde Park and deliver that kind of message. But let me read my predictions for the year 2067. This is what I said:

> In a century, Canada as a people and territory will become part of a solitary nation, or a new world of few nations.
>
> The portion of our national political and social culture to be contributed in survival, will depend upon how soon we discard our narrow parochialism, responsible for such unnecessary time-consuming national energy. Instead of preparing our people for the international oneness of mankind inevitably coming with compelling haste, we are extravagantly spending time on flags, anthems and cultural tangled squabbles.
>
> The failure of this nation to grasp the significance of its greatness and the dethroning and wastage of our mental resources could mean its dissolution in less than 25 years.
>
> With that premise, may I predict that by 2067:
>
> 1. We will be a nation of 200 million, sharing a world unity.
>
> 2. We will be a part of a world knowledgeable about outer space, having found life there in an either less or more developed state than human beings.
>
> 3. Leisure time will be in abundance, and its use will determine our moral and social values.
>
> 4. Regulatory birth control will be a necessary part of our new social order.
>
> 5. Parochialism here will be dead . . . narrow nationalism will be dead . . . but internationalism will flourish, and only in world oneness or nearness will any facsimile of Canada's culture survive.

In that prediction I say that unless we change our narrow, parochial, regional thinking this nation is doomed because it will be dissolved in 25 years. But I think many of us can rise above regionalism and parochialism, see both sides of the question, understand each other and draw closer together. It is most regrettable that we continually read in newspapers that this or that province will separate from our confederation. Canada is a great nation. We can work together, we have to work together as we have in the past, and in that way we can overcome this narrow parochialism and regionalism.

We in the House of Commons fight about language. Let us look at some of the statistics of language. If we consider the population of North America we find that 80 million people on this continent speak Spanish. The statistics show that approximately 250 million people today speak English, and 25 per cent of the world's population speak some form of Chinese. If we are really concerned about the problem perhaps we should be learning to speak Chinese so we may understand these people, because it is in free intercourse one with the other that we will bring about understanding, particularly at a time when we are talking about international crises. Of the world population 8.3 per cent speak Russian. Seventy per cent of all the letters written in the world are written in English.

I do not know why we spend so much time arguing about language. I appreciate anybody speaking in another tongue. I wish I had had the opportunity as a young man in my formal education to learn many languages. I wish that when I went to school I had had the

opportunity, like other members of my family, to learn two or three languages. I think it is wonderful to understand languages. But why spend so much time on and be supersensitive about whether something is written in French, Spanish or English? What does it matter? This narrow regionalism and parochialism is eroding and sapping the very spirit of the nation.

I now wish to turn to another subject with which I think any government should come to grips. I want to come to grips with the question of the expropriation of land in this nation. As counsel I have had some experience with expropriation law and expropriation cases. I have also been most active, as a member of parliament, in the northern affairs committee since coming to the House of Commons. The reason I have been so interested in this matter is, I suppose, that I have had the privilege, opportunity and indeed the honour of representing Banff National Park, one of the beauty spots of North America.

We talk about civil rights. I am not pointing an accusing finger at the present government when making this speech because the abuses in expropriation to which I will draw attention have occurred in every province under provincial law and federal law. The abuses that have occurred under federal law are the worst of all. I hope that the speech I make today will have some impact in solving this problem for those who are in the chamber and those who may read my speech later. The Bill of Rights is involved in this problem. Let us look at the Canadian Bill of Rights. I have always felt it to be most regrettable that the courts have refused to give effect to the Bill of Rights. They refuse to give it meaning and significance. Perhaps the courts believe the Bill of Rights is not a constitutional change, but it is pretty definite in some of its language and it was approved by parliament. The Canadian Bill of Rights provides:

> It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely—

What are they?

> —the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law;

When I talk about the expropriation of land I shall deal with civil rights in the enjoyment of property. The right to own property in this nation is a civil right. That right should not be taken away from the individual without due process of law as set out in the Bill of Rights. With all due respect to the Bill of Rights, I might go so far as to say that this was the law before the Bill of Rights was enacted.

• (5:50 p.m.)

What is the federal authority in respect of expropriation? It has the authority and must have the authority to expropriate land for public works. It has to have the authority to expropriate land for a railway. People cannot be allowed to stop the development of the nation. It also has to have the authority to expropriate land for national parks under certain circumstances. I will have more to say about that later.

The next question I ask is, how does expropriation in Canada operate under our laws? Let us take the case of the national parks. The officials of the public works department get together and prepare an order in council with a description of the land. When it is drawn up it is then approved by the executive. The order in council is then filed in the land titles office. That is how it is started. No notice is given to the owners. I can show hon. members hundreds of cases where no notice has been given. In fact, in the case of national parks it has been a deliberate policy of the department not to give notice of expropriation.

In one of the cases before the Exchequer Court in which I acted as counsel no notice was given to three men who were pioneers of western Canada. Their land was taken away from them, and even under cross-examination we have been unable to find out the reason for this action. However, the cat came out of the bag in an examination for discovery, and the case has just been completed so I can discuss it here. It is the case of Lake Louise Ski Lodge Limited *v.* Her Majesty the Queen involving three people who owned 60 acres of land of which the pivotal point is Lake Louise. Today multimillion dollar enterprises, including a visitors' centre, are being built there by the government, which had some trouble in negotiating a financial agreement in expropriating land for the trans-Canada highway. All the government needed at that time was four to five acres of land for the roads, but when I cross-examined the officials they told me they could not complete the kind of deal they wanted and the price for the four

or five acres was not right. I asked the director of the national parks what was his answer to that, and he replied:

> Such action did not appear necessary at that time if the land for the right-of-way could have been acquired for a reasonable amount.

Then I asked him:

> So that it was really, then, the result that as you were not able to negotiate for the highway that you did actually expropriate the other land?

To which he answered "yes". In other words, 55 or 56 acres were taken over for the sake of four or five acres. Surely this is not taking over land under due process of law.

Of course the right to expropriate could be challenged, but who can afford this legal procedure? Let us consider what happens after the land is expropriated, and this is the worst part. The onus is then on the owners to try to negotiate with the department of the government, and if they cannot reach an agreement they must start an action in the Exchequer Court of Canada. This means that an owner, who may be a man with very limited means, must hire a good lawyer because one cannot go to the Exchequer Court without a lawyer with a good deal of skill. It is also necessary to hire a top appraiser, which is costly. In the Lake Louise case the judgment given by the Exchequer Court was about $96,000.

The original letter offered these people $13,000 for the land, so they had to hire a lawyer. They had to get appraisers and engineers. This does not sound like much, but before you can place your case before the Exchequer Court you have to allow about $20,000 without even considering a dollar for your lawyer or for experts to assist you.

I say that the law in this regard is wrong. I realize that to run the country efficiently land is needed for parks, highways and railways. Individuals cannot be allowed to hold up the development and progress of the nation. However, I say that the expropriation law is being spelled out by certain officials of the department so as to make it work for them and not the owner. I believe the law should be changed so that if negotiations are unsuccessful the crown should start the action. A time limit should be set for the negotiations, after which the crown must start an action. The crown should carry the ball and the onus should be on it to prove what the land is worth. The owner should then take the defence. Today the onus is on the owner of the land. Under the Bill of Rights no one should lose the enjoyment of his property without due process of the law.

[Mr. Woolliams.]

Today if an owner is financially crippled and his property is expropriated he cannot get justice because he cannot afford to buy it.

Let us take a look at another situation where leases are being taken over in the national parks. No one on the government side has raised a voice in protest. It is a most shocking situation. The reason may be that there is no national park in Ontario or Quebec. There are land ownerships in fee simple. Leases in perpetuity were granted years ago and this is almost the same as a title in fee simple. Then there are 99-year leases and 42-year leases with the right to renew for 21 years. The department has denied this. The officials say that this cannot happen. But it does happen. A parliamentary committee met in Banff, and at that time the national parks branch filed a big yellow bible on their policies. I did a little homework that night and I found something which I should like to put on the record. I am referring to the advice of the Department of Justice given to the Minister of Indian Affairs and Northern Development (Mr. Laing). It reads as follows:

> On normal renewals of perpetual renewal leases, the department can probably be forced (legally) to issue renewal leases also containing the perpetual renewal clauses . . . on a normal renewal of a perpetual renewal lease we cannot legally force the lessee to take only a 42- or a 42 plus 21-year lease in its stead.

In spite of this advice what did the minister do? I have hundreds of letters on file, but here is one from someone in Jasper. I will not give his name because that might cause his ruination. He was told that the department would approve the registration of his mortgage for the building provided he gave up his lease in perpetuity to the crown and in return took a 42-year lease. I say that this is blackmail. This would be considered duress under any law. The crown in the name of the Department of Indian Affairs and Northern Development is guilty of this sort of thing. It is going on continually.

I have already spoken about the difficulties involved in placing an expropriation case before the Exchequer Court. I put the following simple question on the order paper:

> Will the Minister of Indian Affairs and Northern Development take the appropriate action to have referred, pursuant to the provisions of section 55 of the Supreme Court Act, to the Supreme Court of Canada, the questions (a) whether the so-called perpetual leases in the national parks were legally granted by the Crown—

The officers of the crown swore before the committee that these leases were legally

granted. They said they would have to renew them under the present terms and conditions. The minister and his department say they will not allow a person to build or will not approve the mortgage unless he gives up what he has and accepts less in return.

• (6:00 p.m.)

I asked that question and what kind of answer did I get? It was an amazing answer. The officials stayed up all night so I would not get the facts. I asked the government to take the matter to the Supreme Court of Canada and this is the answer I received:

I am advised with respect to so-called perpetually renewable leases granted by the minister of the interior prior to the enactment of the National Parks Act in 1930, that the minister of the interior did not have the power to grant a right of renewal in those terms and therefore that portion of the leases was ultra vires his power and authority—

I asked the government if they would refer the matter to the Supreme Court of Canada to ascertain whether or not the leases were legal. They said they were not legal. Why do I want the government to take up the matter with the Supreme Court of Canada? I desire this because it costs a citizen so much money to go before the Exchequer Court. Where does the Exchequer Court sit, Mr. Speaker? It sits in Ottawa but will go to other places. Every time there is a procedural question it has to be argued in Ottawa. No citizen can afford, unless he is a wealthy man, to become involved in a lawsuit in the Exchequer Court of Canada. May I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Speaker: Order. I understand that the Minister of Trade and Commerce wishes to revert to motions for the purpose of making a statement. Is that agreed?

Some hon. Members: Agreed.

TRADE

REPORT ON RESULTS OF GENEVA TARIFF NEGOTIATIONS

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, almost 50 countries accounting for 80 per cent of the world's trade have for some four years now been negotiating the Kennedy round of trade expansion at Geneva under the provisions of

GATT. Basic agreement among major trading countries was reached about an hour ago in Geneva. There is about $40 billion worth of trade in products in which concessions have been made.

The Minister of Agriculture (Mr. Greene) joined me in Geneva last Thursday and we participated with our delegation in the last critical stages when crucial decisions were necessary. During that time we had policy discussions with representatives of our important trading partners, the United States, the United Kingdom, Japan, the Common Market, the group of Nordic countries and Australia. With some heads of delegations we had more than one meeting. I also met on several occasions with Mr. Eric Wyndam White, director general of GATT, the organization under whose auspices these important trade negotiations have been held. He has been a tower of strength and we all owe him a debt of gratitude for his contributions to world trade.

I believe these talks made a constructive contribution to negotiations, both from a general viewpoint and particularly in terms of Canadian trading interests. Many of the final points revolved around agriculture, and it was both opportune and helpful to have the Minister of Agriculture with me.

From the Canadian point of view, concessions which have been negotiated in foreign markets represent the most important trade pact in this century and affect some billions of dollars of trade. From a world point of view, negotiations have achieved a most important advance in lowering tariff and other barriers to trade.

For example, in the United States tariffs have been reduced or completely eliminated on $1 billion to $1.5 billion of Canadian goods moving into that market. Also the lowering of tariffs should make it possible to sell goods we have not previously been able to merchandise there. In this market we have gained markedly improved access over a very extensive range of products which will be of great benefit to our industry, our agriculture, our fisheries and to our industrial development generally.

In addition to making substantial tariff reductions over many thousands of items, the United States has agreed to eliminate its tariffs on a large number of Canadian products. These tariff cuts will greatly enhance our export prospects, and I know that our exporters will take full advantage of all these possibilities which will become progressively

available over a period of five years, starting January 1, 1968.

Reductions to be made in Canadian tariff as part of these reciprocal arrangements will be of benefit to Canadian consumers and to users of a wide variety of imported products. This will help reduce costs of production for our farms, fisheries, mines and industry. But to make our way in a more competitive world, we will have to be alert to opportunities that are presented. To take full advantage of these changes, our businessmen, our workers, our farmers and, indeed, all Canadians will have to accept the reality of a more competitive world and make necessary adjustments to reap rewards from this new situation.

While it is not yet possible to make public detailed results because not all GATT countries have, as yet, had the opportunity of agreeing to them, I can say with respect to wheat that the basic elements of a new international wheat arrangement have been agreed between major exporting and importing countries. We have achieved a significant and welcome increase in international minimum and maximum prices for specified qualities of wheat, and substantially strengthened arrangements for co-operation to maintain market stability. For No. 1 Manitoba northern, in store at the lakehead, new minimum and maximum prices will be $1.95½ and $2.38½ Canadian respectively. This represents about a 21 cent increase over minimum and maximum prices in the current international wheat agreement. Minimum price f.o.b. Vancouver will be $2.03½ and maximum $2.46½. A growing volume of Canadian wheat is being marketed through this port.

The minimum price agreed upon is $1.73 per bushel for No. 2 hard winter wheat, United States funds, with a quality differential of 22½ cents for No. 1 Manitoba northern. Allowing for differentials in freight between gulf ports and lakehead ports, and between United States and Canada currency, this works out to the Canadian figures I have mentioned above.

Agreement has also been reached on a new food aid program totalling some 13½ million tons over three years, under which responsibility for providing food assistance to developing countries will be more equitably shared by the member countries of GATT. Canada's share in this program is half a million tons a year. The fact that for the first time industrialized importing countries have agreed to co-operate with wheat producing countries in this joint program represents a major achievement and an important forward step in international co-operation designed to help meet food needs of the developing world. Canada played a prominent role in the realization of this aim.

During the critical phases of the negotiations on wheat, the Canadian delegation included senior representatives of major producer organizations in western Canada who are members of the public advisers committee of the Canadian Wheat Board. I refer particularly to Messrs. Charles Gibbings, chairman of the advisory committee and president of the Saskatchewan Wheat Pool, Roy Atkinson, president of the National Farmers Union, Dr. Bill Parker, president of Manitoba Pool Elevators Limited, Mac Runciman, president of the United Grain Growers Limited, and John Stevens of Morinville, Alberta. Their advice made a most valued contribution to the satisfactory result attained. I am advised that the new price range and other arrangements which have been agreed carry the full support of the public advisers as, of course, they do of the Canadian Wheat Board.

Tariff cuts which have been secured from the United States, the Common Market, Japan and other countries will confer benefits on all sectors and regions of our country. The degree to which this applies depends upon our diligence and skill in pursuing the opportunities they present.

Tariff reductions which Canada and other industrial countries are making will also be of benefit to developing countries of the world. A number of such countries have participated in these negotiations and have offered improved trading opportunities for Canada.

In agriculture, reductions which we have secured in foreign markets over a broad range of products will benefit farmers from coast to coast. Important tariff cuts have been made by other countries in respect of our exports of basic materials, metals and forest products. Major gains have been made through elimination and reduction of tariffs of fish and fisheries products.

Reductions which will be made in industrial tariffs of the United States, E.E.C., and other countries, many on a uniform basis of 50 per cent, will help Canadians to increase both variety and volume of our exports to these markets. Improved access to foreign markets which has been secured should, through expanded exports, significantly help our manufacturers to achieve economies of scale and specialization which are so necessary to improving our efficiency, productivity and competitive position.

A new anti-dumping code has been agreed by Canada and our major trading partners, designed to improve existing practices in world trade while safeguarding legitimate interests of our domestic producers.

Benefits for Canada have been secured not only through bilateral negotiations with our most important trading partners but also as a result of indirect benefits which will accrue to Canada from agreements which have been reached between other pairs and groups of countries participating in the Kennedy round. This was an important factor in these successful multilateral negotiations.

• (8:10 p.m.)

Detailed elaboration of agreements which have been reached is now going forward; formal legal documents should be ready for signature before the end of June. Shortly thereafter it is planned that detailed results will be announced simultaneously by all participating countries.

Canada can take great satisfaction that success has crowned efforts which we and others have made over the last four years to conclude this largest ever world trade negotiation started through the initiative and statesmanship of the late President Kennedy.

People, Mr. Speaker, are the essential ingredient in any endeavour, and in this prolonged, sometimes frustrating and most difficult of all trade negotiations, this was the determining factor. Our negotiating team, led by the deputy ministers of the departments concerned, was highly competent, devoted and tireless, often negotiating right through the night.

In the early stages of the Kennedy round our team was led by Mr. Norman Robertson and supported, until recently, by Mr. Hector McKinnon, an experienced veteran of many multilateral trade negotiations. More recently our work at Geneva was guided and coordinated by Mr. Sidney D. Pierce, a distinguished diplomat whose resolute optimism was finally rewarded. It was a matter of comfort to all of us that our ambassador and permanent representative to the European office of the United Nations, Mr. Sol Rae, was always so readily available with help, guidance and encouragement.

On behalf of the government and, I presume, parliament as well I wish to pay tribute and to express our gratitude to all these devoted public servants in whom Canada can be justifiably proud.

Report on Geneva Tariff Negotiations

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, in reply to the statement of the Minister of Trade and Commerce (Mr. Winters) I am concerned about the second point he raised which was not about goods in general but about wheat. The minister said that he could not tell the house what the situation presently is. I hope we shall not have another automotive pact situation. We shall look forward with interest to what will take place between Canada, the United States and other trading nations. Agreements sometimes look good on paper, as did the automotive agreement, but their reality is not as attractive as the words with which they are painted.

I am glad that the minister mentioned Charles Gibbings, the president of the Saskatchewan Wheat Pool, who assisted the government to come to terms on wheat in reference to the world wheat agreement.

Canada is the only nation in the world that exports wheat and does not subsidize its farmers for growing wheat. People in other parts of the country often think that when the farmers receive wheat board payments they receive money from the Canadian treasury. That is false. The wheat board operates as a pool. It receives an initial payment and a second payment which, added together, constitute the pool price and is a price paid the farmer from the sale of his wheat.

It should be understood that the 21 cent increase will apply only to those countries that are signatories to the agreement. Countries such as China and Russia which are outside the agreement will not be affected, except indirectly. We must conclude, that the farmer tonight or tomorrow will not receive an extra 21 cents per bushel for the wheat he delivers to the elevator. That should be understood, and I am glad that the minister did not misrepresent this fact.

As was said some years ago when Britain applied to join the European Common Market, Great Britain over the years has been Canada's best wheat customer. It will be interesting to see if this agreement will affect the price of wheat sold to Great Britain. The farmers well remember when another liberal minister of a Liberal government some years ago promised Great Britain that it could have wheat for $1 per bushel on a five year deal. That promise cost the western farmers $600 million.

The western farmers also remember that in Calgary in 1963 and 1964 the Prime Minister promised the farmers $2 per bushel for No. 1 northern wheat. He did not specify whether

that was the price at the local elevator, the lakehead, Fort William, or Vancouver. Considering that 5 per cent only of western wheat is No. 1 northern, the Prime Minister's promise, even if it had been kept, did not amount to anything.

For years there has been talk of a two-price system. When the Conservative government was in office it considered that Canada consumes approximately 100 million bushels of wheat annually for human and other consumption and the western farmers received a bonus to help them combat the cost-price squeeze. The farmers in 1967 will look at the present situation carefully in the light of recent increases in farm machinery and other agricultural costs. A pusher combine which five or six years ago cost $10,000 now costs the farmers at Rosetown and Kindersley $17,000 to $18,000. The inquiry set up by the Minister of Agriculture (Mr. Greene) is strangely silent in view of the increasing cost of farm machinery. In fact, farm unions of Saskatchewan and Alberta are boycotting farm machinery companies at this time because of high prices.

The agreement may help farmers somewhat but it will not guarantee all farmers another 21 cents per bushel. Unless farmers can earn more they will not be able to pay the high costs for farm machinery they are presently forced to pay. The farmers today are caught in the worst cost-price squeeze in the history of agriculture.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am sure that there will be widespread relief that the negotiations at Geneva respecting the GATT agreement have finally come to a successful conclusion. Had the Kennedy round not been successful it would have been tragic and a major setback to the economic growth of most nations which are members of that agreement. This house and the people of Canada welcome the minister's announcement. I congratulate him, his colleagues, and those officials who took part in the arduous negotiations. Undoubtedly they did not get everything they wanted, but nobody ever does at the negotiating table.

• (8:20 p.m.)

The fact that they have been able to secure extensive reductions in tariffs will undoubtedly have some potential effect. The minister quoted a figure of $1.5 billion worth of Canadian goods entering the United States to which either reduced tariffs or no tariffs at all will be applicable. This will certainly be of great benefit to Canada. At the same time, of course, the agreement will bring problems with respect to the increased competition which Canadian industry will face both in Canada and elsewhere.

There can be no doubt that freer trade and the freer movement of goods from country to country will have a beneficial effect in the long run not only upon our economy but also upon the economy of the whole world. We shall, of course, be able to discuss this much more intelligently when we see the various tariff items which have been removed or changed and have an opportunity to study a breakdown of the items affected. But the fact that the Kennedy round under GATT has reached the stage at which the minister is able to make this announcement is in my opinion a source of great pleasure and a cause for congratulation.

The announcement the minister made about wheat is, of course, of tremendous interest to all Canadians, particularly to those who live in Western Canada. It would have been a stark tragedy had the international wheat agreement come to an end without some satisfactory settlement about the terms of its renewal. I think the farmers of western Canada are completely wedded to the idea of the international wheat agreement which again is of two-way benefit. It gives protection to importing countries inasmuch as they know there is a maximum price above which they will not be required to pay, while bringing the assurance of a minimum price to exporting countries. There is a stabilizing effect.

While it is true, as the hon. member for Bow River (Mr. Woolliams) said, that the 21 cents a bushel increase will not directly affect the price of wheat sold to nations which are not members of the international wheat agreement, the price range established under it is bound to have an indirect effect upon the general world price for wheat.

The minister announced there would be an increase of 21 cents which means the price range will be $1.95½ to $2.38½ for No. 1 wheat at Fort William. Most farmers have been hoping for an increase of 40 cents. The farm organizations have been pressing for this, so there will be some disappointment that 21 cents is all that will be given under this new agreement. The present price range of $1.62½ to $2.02½ was set six years ago and the cost of producing a bushel of wheat has increased very substantially in those six years. I have just noticed the figures issued by the federal Department of Agriculture. The composite

cost to farmers, excluding living costs, which in 1961 was 282.2 had by the end of 1966 reached 346.2, an increase of 64 points or about 22 per cent. In the same period the index of returns for field crops, which includes crops other than cereal grain, dropped from 191.2 to 169.6, or 22.1 percentage points.

In these circumstances an increase of 21 cents a bushel for the prairie farmers will not make up for the increased cost of production which has taken place since the present price range was established. I need hardly remind the minister that his leader, the Prime Minister of Canada, made a promise to the western farmers in 1963 that the Liberal party if elected to office would establish a two-price system for wheat with a guaranteed minimum of $2 a bushel.

Mr. Diefenbaker: We shall have to get Gordon after that.

Mr. Douglas: If the government intends to make up to the farmers the difference between the 21 cents increase under the international wheat agreement and what they need to meet the increased cost of producing a bushel of wheat in 1967 and subsequent years, it will have to consider seriously carrying out the promise it made to establish a two-price system for wheat.

There are some other matters on which we should like further information. The minister will probably be in a position to give it to us tomorrow. I am sure we are all pleased with the idea of setting up a pool to supply food to the needy nations of the world and to hear that some 4½ million tons are to be put into that pool. The minister indicated that half a million tons would be contributed by Canada. I hope the minister will explain soon whether Canada will contribute this as a gift or whether we will be paid for it and make our contribution financially on a pro rata basis. I hope it is the latter. If it is, I trust the minister will tell us what our financial contribution is to be and how it compares on a pro rata basis with that of the other nations.

I hope he will tell us too about the anti-dumping provisions, because these can sometimes be used to obstruct trade by introducing a value for duty basis for tariffs and assessing an artificial value for duty purposes which has the effect of nullifying the reduction in tariffs.

On the whole I think the minister's statement is very gratifying. I hope he will give us further details later. I also hope he will speak to his colleagues about the desirability of supplementing the 21 cent increase to the wheat producers of western Canada by introducing a two-price system which would make up the difference between the 21 cents they will get and the 40 cents they expected.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, the announcement made by the Minister of Trade and Commerce (Mr. Winters) concerning major changes in tariffs following the meetings now concluded in Geneva will certainly be welcomed by many people in Canada as well as in countries abroad.

At least the Kennedy round of negotiations did not end in complete failure. All the months and years of negotiation did not come to an end without some final conclusion being reached even if it was not wholly satisfactory. I will say no more about this aspect because, understandably, the minister was unable to give us very much detail as to the way in which the new arrangements will affect specific products important to the export and import markets of Canada.

I turn to the announcement respecting the price of wheat for the next three years. I am sure the minister realizes this will be greeted with a somewhat mixed reaction on the part of farmers in western Canada who produce most of this wheat. It is at least a little encouraging to see that there is to be some increase in price for the next three years. At the same time I believe that the farmers justifiably expected something more than the 21 cents the minister has announced because, as has been pointed out by the two members who spoke immediately prior to me, this certainly does not make up for the increased cost of producing wheat over the years.

• (8:30 p.m.)

The hon. member for Burnaby-Coquitlam (Mr. Douglas) mentioned that the increase is 21 cents over a price that was agreed upon six years ago. I am sure the minister knows very well that a price of slightly over $2 as a maximum is the price at which Canadian wheat farmers have been selling their wheat for about the last 15 years. If this agreement runs at this price to its conclusion on July 31, 1970, this means there will have been an increase of about 10 to 12 per cent over a 15 year period. I am sure there is no other commodity in Canada which has had such a small increase during that period of time. Certainly there is no comparable increase in the cost of anything the farmers buy. The

increase in the cost of the goods the farmers buy has been many times 10 to 12 per cent from 1952 or 1953 up to the present time.

If this trend continues the cost of the things the farmer must buy will continue to rise until the end of this agreement. Increases in wages and increases in incomes in almost all other sectors of the Canadian economy have been substantially—in most cases many times—more than 10 to 12 per cent over this 15 year period. However, as I have said it is at least encouraging to see that there is some increase in the price of wheat because when the negotiations closed in London a few weeks ago the signatory countries to the international wheat agreement could not agree on any price and it appeared there would be some uncertainty in the wheat market for the next three year period. Although, as I say, the increase is not satisfactory in relation to costs, at least there is a small increase.

In so far as Canada's contribution to food aid is concerned, we welcome the announcement that many of the other countries in the western world will now share in a food aid pool that will be of benefit to the countries which from time to time need this kind of support, I suggest that 13½ million tons over a three-year period is a rather significant amount when it is coupled with some of the other aid programs which I am sure many countries will continue quite outside of this agreement. Canada's share seems to be a reasonable amount in this situation.

I would hope the minister would give some consideration to including some wheat flour in our aid because we have in the past supplied the wheat and it has been shipped to other countries for milling and then on to the recipient countries. This has happened even when our own flour milling industry was down to less than 50 per cent of its capacity. I think we have an obligation, particularly when Canada is making the contribution, to see that the processing is done by Canadians in Canadian mills when Canada is paying for the wheat. I suggest, therefore, that there might be a substantial increase in the amount of flour in our food aid programs. At the present time there is a drop in orders to our Canadian flour mills for export purposes and therefore many men will be laid off very shortly unless additional export orders are secured in time.

In conclusion I should like to say that we think there are some good points in the announcement the minister has made but we cannot agree, and I am sure the minister himself possibly is not satisfied, that the increase really is in keeping with the increased cost of production.

[Mr. Olson.]

Mr. Speaker: The house will now return to the business which was interrupted at eight o'clock.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Gauthier.

Mr. Woolliams: Mr. Speaker, just before the adjournment I was at the point where I was recommending reform in the expropriation law of Canada. I used as an example my own experience in several cases and one in particular. Before I set out what I recommend should be done I should like to review at this point what does happen so that there will be some chronological order in my address which was interrupted by the statement on motions. At the present time in order to expropriate land for public works, parks or some other purpose, all that is necessary is an order in council passed by a minister. The order in council is filed in the land titles office and it is not necessary that notice be given to the owner of the land which is to be expropriated. The department then moves on to the land unknown to the owner.

In the case I mentioned which went to the Exchequer Court the mineral rights of the C.P.R. were expropriated for a five year period unknown to the C.P.R. until I brought it to their attention. I had occasion to search the title and found that the C.P.R. had lost all mineral rights. I understand that recently in Banff particularly, where much of this action has taken place under the Minister of Indian Affairs and Northern Development (Mr. Laing), land was expropriated which recently belonged to the C.P.R. and to other people. The land was returned to the C.P.R. but the land of the other people was not returned to them. Of course there is one law for the C.P.R. and another for the other people in Banff.

What are my recommendations in this regard? In making my recommendations I

should like to point out that in this field the crown is all-powerful. The crown decides whether it should take the land. The crown has the money and the power. The crown has the right, the power and the money to hire highly paid appraisers. The crown has the right to do so and hires the most competent lawyers it can obtain. The owner only has his land and in many cases can afford neither an appraiser nor a lawyer.

I have no real criticism of the Exchequer Court as it operates except to say that it really is part of the federal government in the sense of federal jurisdiction. When land is expropriated in Alberta, in Saskatchewan or in other parts of western Canada, it is necessary for the lawyer to come to Ottawa in many cases to present his argument. For example, in the Lake Louise case in which 60 acres were expropriated I had to start proceedings when after a six year period we could not reach a settlement with the government. The crown refused to produce the director of parks for examination for discovery and I had to obtain an order. When the director of parks was produced he refused to answer some questions. I then obtained an order and had to return again to Ottawa.

• (8:40 p.m.)

Under the expropriation law in Canada it can be said truthfully that there is one law for the owner and one for the crown. I say that the jurisdiction in expropriation proceedings should be in the trial division of the Supreme Court of Alberta or in the Queens' Bench, or whatever it may be called, in other provinces. If an agreement cannot be reached between the parties after a specified period of time the onus should fall upon the crown to initiate an action. An individual should not have to commence an action against the crown, as in the famous Fraser case referred to by Mr. Justice Cartwright. Under our laws an individual must commence proceedings and hire appraisers and experts in order to obtain a fair and equitable price for the expropriated land.

I think of a particular case in 1936 where the crown offered to pay $13,000 for a specific piece of property. The owner of that property commenced action and got a judgment for approximately $96,000. I need not say more about that case but I hope what I have said may lead to further consideration on the part of hon. members. My point is that individuals who are the victims of our expropriation laws should not be saddled with the onus of initiating litigation in order to obtain equity.

Perhaps the attitude of crown agencies in this regard is of benefit to the taxpayers, but I suggest that the crown should pay the initial offer into court and that the owners of the property should be entitled to withdraw that money to pay for the cost of an action initiated to obtain a fair and reasonable price for the property subject to expropriation. I also suggest that in cases where property is expropriated and an action is commenced, which might last for a number of years the crown should be subject to a reasonable interest charge on the original offer during the settlement of such action. The law in this regard should be absolute rather that discretionary in order that the trial judge may assess a 5 or 6 per cent interest rate on the original settlement for expropriation while a determination is being made.

In this regard let me make a special plea to the government, the Minister of Justice and the Minister of Indian Affairs and Northern Development to look into the whole matter of expropriation in areas such as Banff. There seems to be some difference of opinion as to the legality of expropriation by the crown in respect of lands in national parks under the jurisdiction of the department of northern affairs. I suggest that this whole question should be taken to the Supreme Court of Canada. We have, of course, received opinions from the legal officers of the department of the Minister of Justice, but in any event these actions should be initiated by the crown rather than by private individuals in areas such as Banff and Jasper, Alberta. I might point out that there are other areas in Quebec and Ontario similar to those in western Canada which are subject to the same type of grievous action. There has never been a minister who has occupied the position of the minister of northern affairs who has acted in such a high-handed manner as the present minister in this regard.

Mr. Deputy Speaker: Order, please. I must interrupt the hon. member to inform him that his time has expired.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, at the outset of my remarks, like those who preceded me in this debate, I want to express my admiration for the mover and seconder of the address in reply to the speech from the throne.

Those two members, the member for Burin-Burgeo (Mr. Jamieson), through his outstanding eloquence and his truly deep understanding of the current national problems, and the member for Nicolet-Yamaska (Mr. Côté), through his full knowledge of agricultural problems, set the lead, I trust, for the debates to take place in this house in this, our centennial session.

This year, we celebrate the centenary of that historical event which set up, after long deliberations, the framework and the rules within which our country and its citizens have evolved for a century already, while bringing to it the changes necessitated by such circumstances as marked Canadian life since 1867.

So the Canadian people are celebrating this year, with great éclat, that century of coexistence of the two ethnic groups which founded and built together what we know today, with the subsequent contribution of other ethnic groups which came to join the British and the French, and who chose freely to participate in the greatness of the adopted land they cherish and want to see united from coast to coast.

A talk to our new-Canadian fellow-citizens is enough to make us realize very quickly the affection and love they nourish for Canada and their new fellow-countrymen and their great desire to become familiar as soon as possible with one or the other of our two official languages, and sometimes with both.

Surely, all that we admire today, after 100 years, was not always conceived and developed in perfect harmony. Obvious diversities between the two groups, English-speaking and French-speaking, on the cultural, language and traditional levels, are sufficient to explain the frequent clashes of a century of living together.

• (8:50 p.m.)

Let me, Mr. Speaker, be shown a family, whatever the language, the religion or the race, where there is not some difference of opinion! It is perfectly normal. But if certain people, some irresponsible, others with some authority, unceasingly claim that we are celebrating a century of injustice while others, without stating it clearly, hesitate, argue, hem and haw, stand on the fence for demagogic or electioneering purposes, to these people I say they are unfair and dishonest in striking such an attitude. Let it be known that they are not representative of the French Canadian majority opinion, in Quebec and in Canada.

[Mr. Béchard.]

Our language and our religious freedom were guaranteed to us by the 1867 constitution, on the same footing as the English language. Injustices have been committed and will surely be committed again, but should we always blame and accuse our English speaking brothers? Is it their fault if we had such difficulties in finding our place in business, trade and other fields? In certain cases, this is undoubtedly true.

But, Mr. Speaker, let it be explained to me why, at the time of the conquest, our mother country abandoned us? Why did the French financial powers of the time not do to their brethren, whom France had brought to this new and remote land of America and left scattered there, what the British financiers did? Is it any fault of the latter?

In spite of such desertion, which I might even call treason, the French Canadian people, determined to survive, overcame every difficulty and every obstacle. They gave themselves institutions of high learning to train our clergy, our political men, our businessmen, our industrialists of whom many made and continue to make their mark in this country, thus contributing to the economic progress of Canada. Less than ten years ago, Quebec, tired of marking time, thanks to a people willing and determined to assume its proper place and to improve its economic, cultural and social condition, thanks to the alert mind of an elite and thanks also to the arrival on the local political scenes of dynamic leaders, Quebec became increasingly aware of its problems and of the role it should play within confederation. A new impetus was given to education, our economy and our federal-provincial relations. It was an almost complete transformation in every field, and thus an awakening, perhaps belated, but how thrilling, for a population accustomed to the drab routine of *laissez faire* and traditional inertia.

That new awakening of Quebec upset a number of people, namely the Quebec people, and their determination to contribute more and more to the administration of the country, Canada, disturbed the peaceful life of more than one of our English-speaking brothers who felt panic in the face of that clear stand and fear of losing their place.

Mr. Speaker, the people of Quebec do not want to supplant anyone. They do not want to take anyone's place; far from it. What they want is to take their place, that which belongs

to them, as there is one for their English-speaking brothers, in their country's administration. They want to take a greater part in the economic, social, cultural and political development of their country and, to that effect, thay want not only to be heard but to be understood when they talk and write their own language, one of the country's two official languages. The people of Quebec do not want to separate and they do not want a separate status such as some politicians looking for publicity and votes are now advocating in Quebec and which would be equivalent to separation. What they want is to be respected and understood when they speak to the administrators of their country in their own language and above all, to live decently, have a job and earn a sufficient income to meet their obligations, as well as to be fairly well off to avoid falling prey to communism, a constant menace to the world, that poverty and destitution, so exploited by unscrupulous demagogues, can foster in our country. Communist propagandists always make the most of disagreements and crises of all types to spread their beliefs.

The present Prime Minister (Mr. Pearson) has fully understood the legitimate demands of the Quebec people for equal opportunities.

That is why, since 1963, the policy of the present government has tended to create a situation more favourable to the development of the country and of bilingualism, particularly within the public service, and to provide equal participation and advancement opportunities for French Canadians and secure for them the status of first class citizens in Canada.

If that is not working for national unity, Mr. Speaker, we must ask ourselves what concept of unity have those who are always talking nonsense of the kind we again heard in this house recently from the hon. member for Yukon (Mr. Nielsen), who follows the example set by his leader and many others.

It is obvious that he does not understand the problem of unity in the slightest and that he has not yet asked himself the question: What does Quebec want?

Referring to the member for Yukon, he would have done better, after three or four short appearances in this house, since October 5, 1966, busy as he was, I suppose, collecting material for scandals so as to better play his role of character assassination with his accomplices who are just like him, he would have done better to refrain from destroying, by his ridicule, everything positive achieved by the Prime Minister and his government since 1963, and rouse feelings that were dying out.

You only have to travel through our vast country and speak with our fellow-citizens, whatever their origin, to notice the tremendous evolution which has occurred in the direction of the principle adopted by our present leader of the government confronted by the consciousness of Quebecers since 1960.

Mr. Speaker, in the time allotted to me, I cannot deal in detail with all the proposals contained in the speech from the throne. However, I should like to discuss briefly a very delicate and controversial matter: television and radio broadcasting. I will conclude my remarks by speaking of the dairy industry in Canada, particularly in the Gaspé peninsula, adding some comments on other matters of local nature, but considered very important for the riding of Bonaventure in particular.

The speech from the throne had this to say concerning television and radio broadcasting:

> Recognizing that broadcasting is an important cultural instrument, the government supports a comprehensive and balanced national broadcasting service—

I have already made my position clear to the house concerning the quality of certain programs shown particularly on television.

I do not have to take back a word of the speech which I delivered in this house, as recorded in *Hansard* of February 25, 1964, except the reference to a greater state control. After the affair of "This Hour Has Seven Days", when the matter of internal control was publicly discussed, endangering the basic authority of that institution, I said that a direct control and intervention of the government in those matters of administration and programming in and out of season would turn that state corporation into a weak instrument in the hands of the government, whatever the party in power, which I could not accept.

However, Mr. Speaker, I believe it is highly important to establish a well-defined authority in the hands of management and to empower the latter to exercise such authority efficiently and advisedly.

The producers should be shown that bad taste and displays of immorality have no place in public, in a civilized country. Let us have an opportunity, from time to time, to make a clean sweep of these free-thinkers, who, under the cover of freedom of speech, use the state networks and others to distil drop by drop the ferment of revolution and subversive

ideologies which are unacceptable in a free democratic country—and here it must be understood that freedom does not mean licence.

Radio and television are too valuable information and culture media to be used too often, in my view, to infect our population. I hope that the new legislation will see that a body such as the board of governors, for instance, is granted the necessary power to prevent any excessive abuse of airwaves, as is unfortunately too often the case.

• (9:00 p.m.)

The farm policy which was the subject of a subamendment moved last Friday by the hon. member for Roberval (Mr. Gauthier) was officially announced in the house by the Minister of Agriculture (Mr. Greene) on March 22 last for the dairy year 1967-68. It will be recalled that farm and dairy producer organizations asked for $5.10 per hundredweight of milk. The policy announced by the government set that price at $4.75. When the terms of that policy were published by the Canadian Dairy Commission, quick response arose from professional farming quarters.

Attempts were first made, in certain circles to intimate that the farmers were overdoing it and that they had no cause to fear that they could not receive the national average price of $4.75 per hundredweight. For some areas, where the dairy industry is very well set up from production to processing and marketing, I would agree that such an argument might be true, but for an area such as Bonaventure and other less advanced areas where the number of dairy producers is less than a thousand with about 40 per cent having to look elsewhere for a supplementary income, those claims are fair and legitimate.

Some will say that the government policy is intended to develop an efficient and healthy dairy industry in Canada mainly through the expansion of dairy farms.

I am all for it, because in my opinion we cannot expect some day the dairy farmer for instance to go on his own, if his unit is not economical, which means sufficient cultivated land, a quality herd with a sufficient number of milk cows, adequate equipment and plant facilities, a market for his dairy products, if certain farms, which have never assured a decent income to their owners are kept in operation by maintaining the present system. For some dairy farms, a $20 subsidy per hundredweight would not even be adequate.

However, taking into consideration what was mentioned earlier with regard to my area of Bonaventure, the manufacturer at the processing plant will not be able to pay this year, on the basis of last year's production on which the quota will be established, more than $2.94 per hundredweight. Add $1.21 to that, less the 11 per cent premium for exports, and you get a total of $4.04 per hundredweight. That is a far cry from $4.75 per hundredweight, although it is much better than the corresponding figure for last year. The quota policy, although well inspired, took many by surprise. In my area, particularly, it certainly does not encourage consolidation of farms or the expansion of our dairy farms.

Indeed, the farmer who last year gradually added a few cattle to his dairy herd, will not be able to benefit from the resulting additional production this year, if I understand correctly the data of the Canadian Dairy Commission.

I therefore ask the Minister of Agriculture to study seriously this whole question of quotas, with a view to modifying it in such a way that dairy producers in our area, as in many others, might hope to become more efficient and capable of earning a decent income. That is all the dairy producer wants, and only that.

On the other hand, I would like to remind the house that the assurance that the farmer will be paid the specified amount of $3.54 per hundredweight of milk by the plant can only come from the provincial government, which is the only body able to legislate in this matter.

Ontario did it, and the Quebec government, with its department of agriculture headed by a man who left his mark by his criticism of the federal Department of Agriculture, should act without delay. In this way, the Gaspé farmer too could derive greater profit from the generous policy of the federal government.

A vote in favour of the subamendment of the hon. member for Roberval tonight, Mr. Speaker, would not mean $5.10 per hundredweight, but could result, if the government were defeated, in an expense of some $18 to $20 million for Canadian taxpayers, an amount which I suggest could be put to better use.

I will now address my remarks to the minister responsible for the implementation of public works which are of great importance for us in the riding of Bonaventure. As matter of fact, harbour facilities are needed by the fishermen as well as by the present industries

and the ones to come, and that means building new facilities as well as repairing the existing ones.

Important works just begun at Paspébiac were made necessary by the recent development of the fishing industry.

On the other hand, in the fall of 1965, after many representations, I secured the lengthening of the wharf at Carleton from where about forty million feet of lumber are shipped each year. The traffic is heavy from April to January.

Now, that work has been left in abeyance in the spring of 1966 because the department considered it unacceptable. Since then, after every conceivable recrimination, nothing is being done to correct that situation and the wharf is in such an alarming state of disrepair that I am now wondering whether it would not be better to build a new one. Those who use the wharf, the municipal authorities and others, are constantly making representations to me and I am wondering why certain people are so slow in requiring immediate action on the part of the contractor. Such a situation has lasted too long and it is urgent to put an end to all this red tape.

My riding being located almost entirely along the Baie des Chaleurs, properties are therefore constantly threatened by the normal erosion of the sea, and sometimes storms like the one we had in late December 1966, the worst in thirty years, cause damage that owners are financially unable to repair. Up to 1956, the federal government allotted a certain amount to make good such damages, but since then, thanks to their ingeniousness, certain officials were able to convince the then minister to replace such a policy by the famous "federal responsibility when erosion is caused by navigation or the presence of a federal structure". Certain properties are gradually disappearing hopelessly. During a storm last December, several properties in St. Omer, Carleton, Maria, New Richmond, Caplan, St. Simeon and all along the coast, were seriously damaged; I call for the special attention of the government for the immediate construction of retaining walls.

Means of transportation are for our area, far as it is, Mr. Speaker, of the utmost importance. In this atomic age, our area is deprived of air service of any kind. A daily service would perhaps not be economic, but so long as there has been no experimentation in this field, that will be impossible to prove. A Gaspé company—Air Gaspé—is operating a service between Gaspé, the Magdalen Islands, Ste-Anne-des-Monts and the north coast. Let the Minister of Transport help it to operate the service between Gaspé and Quebec, via Bonaventure, of course, where an airport belonging to the provincial government could, I think, be bought easily, and Gaspé will then welcome with enthusiasm and relief an innovation made necessary by the need to connect us to the great centres in the country.

During the last few years, the public organizations in Gaspé and the members from the south coast of the province, speaking on behalf of the population, have been asking the C.N.R. for a passenger train operating directly between Montreal and Gaspé.

Now, it so happened that last March, the authorities of the C.N.R. finally agreed to our request and on May 31, 1967, the new era of a direct train from Montreal to Gaspé will begin. At this point, I want to thank all the public bodies as well as the Canadian National Railways for their co-operation and the Minister of Transport for his efficient participation in the final success of our efforts to this end. However, as was to be expected, once again Gaspé could not count on complete enjoyment or achievement. In fact, we are informed that the "Chaleur", upon arrival at Matapédia, at the junction of the Maritimes and Gaspé lines, the trains will not immediately start on the Gaspé run, but will have to go to Campbellton, New Brunswick, at least 13 miles away to be cleaned, serviced, fueled, etc., and return to Matapédia before going on to Gaspé. This shuttling, plus service time, means about an hour and a half, very conservatively.

Well, Mr. Speaker, the people of Bonaventure riding and Gaspé and the travelling public in general cannot accept these early-morning and night-time side trips into a neighbouring province. We do not accept it and we shall not accept it.

The argument is that this situation is temporary; we are afraid of these temporary situations which suddenly and ordinarily become permanent. We see the trap and we refuse to fall into it.

Further, if we look at the train schedule recently published by the C.N.R., to be in force from April 30 to October 28, 1967, we are surprised to note that the "Chaleur" will make only 14 stops on the Matapédia-Gaspé run as against 32 by the present self-propelled coach. A matter of saving time, I will be told. In such a case, why lose from an hour and a half to two hours, morning and night, to go to

Campbellton? The trap becomes increasingly evident.

• (9:10 p.m.)

But that is not all. The rate we will have to pay for the so-called favours of the C.N.R. is even higher. Trains Nos. 245 and 246 will be eliminated May 31, 1967, according to the previously mentioned schedule. On these freight and express trains, a coach was attached to serve passengers unable to use the self-propelled coach. All this will be eliminated on May 31, thus depriving many employees of their livelihood. And this, Mr. Speaker, has been decided upon without any consultation with the Gaspé population, by a decision of the C.N.R. authorities.

The people of Bonaventure riding and Gaspé will not be fooled this way. The population is now warned and constantly alerted.

Consequently, I urge the authorities of the Canadian National Railways to reconsider their decision and the Minister of Transport (Mr. Pickersgill) to use his influence and good offices once more to persuade the Canadian National authorities to correct those deplorable errors without delay, before May 31, 1967. The service of the "Chaleur" can very well be done at Matapédia or elsewhere along the line, which will make unnecessary that intriguing eventual pilgrim to our New Brunswick neighbours and will really give satisfaction to the travelling public.

I would have many other subjects to deal with tonight, Mr. Speaker, but in view of the passage of time, I will reserve for other occasions the pleasure of doing so.

Mr. Speaker: Does the hon. member allow the hon. member for Grey-Bruce (Mr. Winkler) to ask him a question?

Mr. Béchard: Yes.

[*English*]

Mr. Winkler: Mr. Speaker, I should like to ask the hon. member for Bonaventure whether he agrees with the policy and the requests with regard to agriculture that are being brought before the government by the U.C.C. of his province.

Mr. Béchard: Mr. Speaker, in my remarks a few moments ago I explained very clearly the position I take on that policy.

Mr. Winkler: Do I understand then that the hon. member is opposed to the present government policy?

[Mr. Béchard.]

Mr. Béchard: I am not at all opposed to the present policy of the government.

Mr. Winkler: The hon. member surely is.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, in participating in this debate for the next few minutes I should like first of all to join those who have offered their congratulations to the mover and seconder of the address in reply to the speech from the throne.

There are a number of serious problems in my own constituency, Mr. Speaker, to which I intend to draw the attention of the house. I had intended to make a rather lengthy and detailed speech respecting wheat prices and wheat marketing in western Canada. As you know, and as other hon. members know, within the last hour we have had an announcement from the Minister of Trade and Commerce (Mr. Winters) respecting this matter. We realize it is not easy in negotiations with other countries for the representatives of any country to get all they feel they need for the people they represent.

The 21-cent increase in the maximum price over the next three years certainly does not constitute a reasonable increase in keeping with the increased cost of producing wheat. For example, I have in front of me a brief prepared by a committee in my constituency. This brief was taken to a lot of meetings throughout the constituency and presented to the farmers to find out whether or not there was a measure of agreement with respect to what the current selling price of wheat ought to be. After much consideration the very reasonable people in the farm community decided that to keep pace with the increased cost of production during the last three years there was now justification for demanding not less than $2.75 a bushel to the farmer. This is substantially more than the amount suggested by the Minister of Trade and Commerce today. I know the minister agrees that if an increase in the selling price of wheat were made in direct proportion to the increased cost of production, then $2.75 in 1967 would not be an unreasonable figure.

This group of farmers in my constituency addressed a brief to me and in the résumé of their brief they asked me to support their request for a two-price system for the sale of wheat of at least $2.75 per bushel for the first 4,000 bushels sold by each farmer and then whatever can be obtained on the international market for wheat sold in excess of 4,000 bushels. They give these reasons for their demands:

1. The rising costs of farm operations.

This is well known to members of this house and everyone else who is at all familiar with the farm community today.

2. Competing incomes of those in industry to the incomes of farmers.

3. Departure of farmers from farms to positions in industry.

4. Impending food shortages in Canada and in the world.

I am not sure I can agree that there is an impending shortage of wheat in Canada but there certainly appears to be an impending shortage of foodstuffs available for people throughout the world. Therefore the announcement this evening, with respect to the future price of wheat, while it represents a slight upward adjustment, certainly is not in keeping with the rising costs.

All the other negotiations between the signatory countries to the international wheat agreement were carried on in a situation where there was a huge surplus of wheat, particularly on the North American continent. In 1960 and again in 1963 and 1964 there were huge surpluses of wheat in the United States and Canada which had been carried over from year to year. I suggest that in this kind of situation it is reasonably easy for the purchasing countries to demand that there be no increase or in some cases that the maximum price be decreased. In that kind of situation, when we are trying to sell against continuing surpluses from one year to the next, it is rather difficult for the Canadian negotiators to convince the purchasers there should be an increase in price. However, in 1967 there are no huge surpluses left.

Over the years the farmers have accepted the argument advanced that it was difficult to get an increase in price as long as we were producing far in excess of current market demands. This situation has changed. There are no longer any huge surpluses of wheat in the United States. After Canada has fulfilled all the commitments under the agreements that we have made to date there will be no huge surpluses left in Canada either. Certainly, Mr. Speaker, had it not been for the substantially larger than ordinary crops in western Canada during these last three years we would be unable to meet the commitments we have made to date. Last year wheat production in Canada amounted to over 800 million bushels, a record far above the production level of any previous year. The year before we had a record-breaking crop of over 700 million bushels. But the demand for food, and particularly for wheat, has gone up to the point where these surpluses no longer exist. Surely, this fact should have been taken into account. I am not going to spend a great deal more time on that subject this evening because I am sure that as this session progresses there will be other opportunities to discuss the matter of a just and reasonable price for wheat.

I want to turn now for a moment to the matter of the very severe snowstorms we have had in southern Alberta during the last two or three weeks. I spent a number of days in that part of my constituency which was most severely affected by these storms. The situation is tragic. The Minister of Agriculture (Mr. Greene) came out and after listening to some of the ranchers and farmers in the area termed it a national disaster. It is difficult to believe until you see it. In southern Alberta, where spring usually arrives about the middle of March, we have had as much as 70 to 100 inches of snow. The snow actually reached the point where it halted surface traffic regardless of the kind of equipment used. The snowplows were unable to cope with the heavy, wet snow.

In many parts of southern Alberta heavy bulldozers had to be brought in to break trails to bring food to livestock stranded on the summer pastures. Even this equipment found difficulty in opening trails. The emergency measures organization in Alberta was able to obtain the assistance of a number of helicopters. While they could not move in sufficient food to keep all the animals from starving in these isolated places, they certainly were a great help. We should recognize the tremendous advantage of having an emergency measures organization which can move quickly to give the kind of assistance which was required in southern Alberta during these very trying three weeks.

• (9:20 p.m.)

I also think we should pay tribute to the United States Air Force. They were asked if they had any helicopters in the area, I believe on a Sunday, at a time when it became apparent that emergency action would have to be taken. Through the United States consulate in Edmonton, and I presume also through Ottawa, in a very few hours two large helicopters were sent from one of the air force bases in Montana. As a matter of fact, Mr. Speaker, they were first on the scene. This kind of co-operation and rendering of immediate assistance in response to a request for machines in the area is something for

which we Canadians should be grateful. We should be grateful that we are living alongside a neighbour who responds so quickly to this sort of request.

We also owe a great debt of gratitude for the co-operation received from all of the municipalities to the north of where the storm struck. For example, the city of Calgary dispatched a train loaded with snow removal equipment to the city of Lethbridge to assist the city in digging itself out of what was an almost impossible situation and far beyond the capacity of the city of Lethbridge to cope with the machinery that was there.

Mention has been made of livestock losses. One press report that I saw indicated that some 15,000 head of cattle in southern Alberta may have been lost. I have in front of me the Lethbridge *Herald* for May 12, some days later, in which it is estimated that there may be a total of as many as 40,000 baby calf losses. In addition there will be losses of growing cattle from starvation and for other reasons.

I was in this area for several days, and even the estimate of 40,000 new calves which died is far too low. I visited a number of ranches where the loss of baby calves was anywhere from 20 per cent to as high as 90 per cent of the total number of calves expected. This will far exceed the estimate of 40,000 when we realize that there are something like 200,000 head of female stock in the area that was affected.

This is a disaster of the highest level for some of the individuals involved. First of all, it means that for some there will be no income for 1967. Some people have lost anywhere from 25 to 30 per cent of their calf crop, which represents whatever profit they would have had after deduction of expenses for the year. Perhaps they can survive, Mr. Speaker. Perhaps they can get along with what other crops they may grow. But there are others who will be virtually put out of business because of this storm. They lost not only almost their entire calf crop for 1967 but also a large percentage of the breeding stock on the farms and ranches.

The Minister of Agriculture visited the area and suggested that the federal government stood ready to give short-term assistance in paying for the cost of moving feed. This involved the use of some of this high priced equipment such as helicopters and snow equipment. The minister also said there would be some long-term assistance for those who were hit hardest. By that I presume he means the ones who are virtually out of the livestock business because of their losses.

In this regard we should like to know fairly soon what the minister has in mind. Does he simply mean that some credit will be made available to enable these people to purchase new breeding stock? Is some compensation to be paid those who suffered the greatest loss? If so, what kind of program will be set up to make compensation available to those who qualify? We do not know. We know that the minister termed it a national disaster, and having witnessed the scene I know that this is true in the case of many individuals. But, Mr. Speaker, I am apprehensive about statements of this sort, and with good reason.

It is only two or three years ago that a very serious situation developed in the Peace River country of northern Alberta where a large group of farmers had been completely without income and without crops for a period of three years. That to them was also a disaster. Federal ministers and officials visited the scene, made a survey and then announced to the press that they stood ready to be of assistance. Following this the provincial government went ahead and instituted a program to offer some assistance to the farmers in this area who had had crop failures during this three-year period.

When it came to the federal government paying its share, which had been worked out on a 50-50 basis between the two levels of government, it did not come through with the money. I do not want to be difficult or unfair, but a letter was sent by the federal Minister of Agriculture at that time to the provincial minister of agriculture in connection with these farmers in the Peace River area to the effect that the federal government would share on a 50-50 basis in whatever kind of assistance program the province set up. After the program was set up and the farmers were given an indication of the type of assistance which would be given to them to purchase seed and make arrangements to meet the expense of sowing another crop, the federal government advised the province that it would not participate, that the farmers should have had crop insurance, that they should put the area under a crop insurance scheme so that they would not face this situation in future.

I see from the clock that you will shortly be interrupting the debate so we may vote, Mr. Speaker, so in closing I want to say that we hope the federal Minister of Agriculture

was serious when he said that the government stood ready to offer all reasonable assistance, both short term and long term, to prevent the collapse of some of the farming and ranching units. We will be looking forward to his coming up with a program and we hope he will keep these commitments when it comes to the practical application of a reasonable assistance program.

Mr. Deputy Speaker: Order. It being 9.30 o'clock p.m. it is my duty, pursuant to section 4 of standing order 38, to interrupt these proceedings and forthwith put the question on any amendments now before the house. Is the house ready for the question on the amendment to the amendment?

The house divided on the amendment to the amendment (Mr. Gauthier) which was negatived on the following division:

• (9:30 p.m.)

YEAS

Messrs:

Aiken
Alkenbrack
Allard
Asselin (Charlevoix)
Ballard
Bell (Carleton)
Bell (Saint John-Albert)
Bower
Brand
Cantelon
Caouette
Chatterton
Churchill
Clancy
Crouse
Diefenbaker
Dinsdale
Dionne
Fane
Flemming
Forbes
Gauthier
Godin
Grafftey
Grills
Horner (Acadia)
Howe (Wellington-Huron)
Irvine
Kennedy
Korchinski
Lambert
Laprise
Latulippe
MacInnis (Cape Breton South)
MacLean (Queens)
MacRae
McCleave
McIntosh
Madill
Mandziuk
Monteith
Moore
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Noble
Nugent
Pascoe
Pugh
Rapp
Ricard
Rynard
Scott (Victoria (Ont.))
Simard
Simpson
Southam
Starr
Thomas (Middlesex West)
Winkler
Woolliams—60.

NAYS

Messrs:

Addison
Allmand
Andras
Asselin (Richmond-Wolfe)
Badanai
Barnett
Basford
Batten
Béchard
Beer
Benson
Boulanger
Brewin
Brown
Byrne
Cadieux (Terrebonne)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Chatwood
Choquette
Chrétien
Clermont
Comtois
Côté (Longueuil)
Côté (Nicolet-Yamaska)
Crossman
Davis
Deachman
Douglas
Drury
Dubé
Duquet
Émard
Ethier
Forest
Gilbert
Gordon
Goyer
Gray
Guay
Habel
Haidasz
Harley
Hellyer
Honey
Hopkins
Hymmen
Johnston
Klein
Knowles
Lachance
Laflamme
Laing
Langlois (Chicoutimi)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard
Lewis
Lind
Loiselle
Macaluso
Macdonald (Rosedale)
MacEachen
MacInnis (Mrs.) (Vancouver-Kingsway)
Mackasey
McIlraith
McNulty
McWilliam
Marchand
Martin (Timmins)
Mather
Matheson
Matte
Mongrain
Morison
Neveu
Nixon
O'Keefe
Olson
Orange
Orlikow
Pearson
Pennell
Pepin
Pickersgill
Pilon
Prittie
Prud'homme
Racine
Reid
Richard
Robichaud
Rochon
Rock
Roxburgh
Ryan
Schreyer
Scott (Danforth)
Sharp
Stafford
Stanbury
Tardif
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Turner
Wahn
Walker
Whelan
Winch
Winters
Yanakis—115.

Division

• (9:50 p.m.)

Mr. Enns: Mr. Speaker, I was paired. Had I voted I would have voted for the subamendment.

Mr. Hales: Mr. Speaker, I was paired with the hon. member for Châteauguay-Huntingdon-Laprairie (Mr. Watson). Had I voted I would have voted for the subamendment.

Mrs. Wadds: Mr. Speaker, I was paired with the hon. member for Niagara Falls. (Miss LaMarsh). Had I voted I would have voted for the subamendment.

Division

Mr. Smith: Mr. Speaker, I was paired with the Minister of Forestry and Rural Development (Mr. Sauvé).

Mr. Tucker: Mr. Speaker, I was paired. Had I voted I would have voted against the subamendment.

Mr. Groos: Mr. Speaker, I was paired with the hon. member for Edmonton East (Mr. Skoreyko). Had I voted I would have voted against the subamendment.

Mr. McLean (Charlotte): Mr. Speaker, I was paired. Had I voted I would have voted against the subamendment.

Mr. Herridge: Mr. Speaker, I was informed that the hon. member for Westmorland (Mrs. Rideout) was temporarily detained. With my humane instincts I agreed to pair.

Mr. Ormiston: Mr. Speaker, I was paired with the hon. member for High Park (Mr. Cameron). Had I voted I would have voted for the subamendment.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Allard
Asselin (Charlevoix)
Ballard
Bell (Carleton)
Bell (Saint John-Albert)
Bower
Brand
Cantelon
Caouette
Chatterton
Churchill
Clancy
Crouse
Diefenbaker
Dinsdale
Dionne
Enns
Fane
Flemming
Forbes
Gauthier
Godin
Grafftey
Grills
Horner (Acadia)
Howe (Wellington-Huron)
Irvine
Kennedy
Korchinski
Lambert
Laprise
Latulippe
MacInnis (Cape Breton South)
MacLean (Queens)
MacRae
McCleave
McIntosh
Madill
Mandziuk
Monteith
Moore
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Noble
Nugent
Ormiston
Pascoe
Pugh
Rapp
Ricard
Rynard
Scott (Victoria (Ont.))
Simard
Southam
Starr
Thomas (Middlesex West)
Winkler
Woolliams—61

[Mrs. Wadds.]

NAYS

Messrs:

Addison
Allmand
Andras
Asselin (Richmond-Wolfe)
Badanai
Barnett
Basford
Batten
Béchard
Beer
Benson
Boulanger
Brewin
Brown
Byrne
Cadieux (Terrebonne)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Chatwood
Choquette
Chrétien
Clermont
Comtois
Côté (Longueuil)
Côté (Nicolet-Yamaska)
Crossman
Davis
Deachman
Douglas
Drury
Dubé
Duquet
Émard
Ethier
Forest
Gilbert
Gordon
Goyer
Gray
Guay
Habel
Haidasz
Harley
Hellyer
Herridge
Honey
Hopkins
Hymmen
Johnston
Klein
Knowles
Lachance
Laflamme
Laing
Langlois (Chicoutimi)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard
Lewis
Lind
Loiselle
Macaluso
Macdonald (Rosedale)
MacEachen
MacInnis (Mrs.) (Vancouver-Kingsway)
Mackasey
McIlraith
McNulty
McWilliam
Marchand
Martin (Timmins)
Mather
Matheson
Matte
Mongrain
Morison
Neveu
Nixon
O'Keefe
Olson
Orange
Orlikow
Pearson
Pennell
Pépin
Pickersgill
Pilon
Prittie
Prud'homme
Racine
Reid
Richard
Robichaud
Rochon
Rock
Roxburgh
Ryan
Schreyer
Scott (Danforth)
Sharp
Stafford
Stanbury
Tardif
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Turner
Wahn
Walker
Whelan
Winch
Winters
Yanakis—116.

Mr. Speaker: I declare the amendment lost.

Mr. Tucker: Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

Mrs. Wadds: Mr. Speaker, I was paired with the hon. member for Niagara Falls (Miss

LaMarsh). Had I voted I would have voted for the amendment.

Mr. Smith: I was paired with the Minister of Forestry (Mr. Sauvé), Mr. Speaker.

Mr. McLean (Charlotte): I was paired, Mr. Speaker. Had I voted I would have voted against the amendment.

Mr. Groos: Mr. Speaker, I was paired with the hon. member for Edmonton East (Mr. Skoreyko). Had I voted I would have voted against the amendment.

Mr. Hales: Mr. Speaker, I was paired with the hon. member for Châteauguay-Huntingdon-Laprairie (Mr. Watson). Had I voted I would have voted for the amendment.

On motion of Mr. Starr the debate was adjourned.

It being ten minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, May 16, 1967

The house met at 11 a.m.

HOUSING

ANNOUNCEMENT OF OFF-RESERVE PROGRAM TO ASSIST INDIANS

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, in keeping with government policy to provide the Indian people with the greatest opportunity to choose their own way of life, provision has now been made to extend housing assistance to Indians who wish to live away from reserve communities.

Effective today, employed Indian people can obtain assistance under the off-reserve housing program which will enable them to live closer to their work, to broaden their opportunities for continued employment and to live in the community of their choice. It will assist them to take advantage of the home ownership finance facilities which Canadians generally have available to them.

Under this program the Indian Affairs branch will provide a conditional grant up to a maximum of $6,000 for a house and $1,000 for furnishings. The amount available to each Indian will relate to his income and his ability to meet mortgage payments on the cost of the home over and above the conditional grant.

An arrangement has been made with my colleagues the Minister of Veterans Affairs and the Minister of Labour responsible for Central Mortgage and Housing Corporation, to assist in carrying out this program. The Department of Veterans Affairs will supervise the program. Their role will be to assist the Indian in his selection of a home suitable to his needs, and they will make certain that each home, either constructed or purchased conforms to the standards of the National Housing Act. Central mortgage and housing will be responsible for providing the mortgage funds required to cover the costs involved above the amount of the conditional grant.

The conditional grant will be secured by a second mortgage which will be forgiven if the applicant lives in the house for a ten year period. As hon. members know, Indians who live in reserve communities are now given grants up to $7,000 for houses built on the reserves. It is one of the purposes of this program to ensure that there are not only no obstacles in the way of Indians who wish to live away from reserves, but that there are no financial disadvantages. It is the government's policy to encourage the Indian people to choose their own role in the Canadian community, just as every other Canadian does. This program will assist in meeting this objective.

• (11:10 a.m.)

An initial amount of one million dollars has been provided by my department to initiate the program.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, this announcement has been anticipated with a great deal of interest, particularly by the members of the Indian communities across Canada and also by all the members of this house. I am sure I can say that, because in recent months and years there has been a growing interest in the welfare of those to whom we like to refer as our first Canadians. When the minister announced the housing program for Indians on reservations last year it was felt it would have a negative effect unless some provision was made to meet the even more critical housing demand among our Indian citizens, that is accommodation for the Indians moving off the reservations.

The policies which have been established in recent years for our Indian citizens, the improvements in educational opportunities, the job counselling service which has been set up within the framework of the old unemployment insurance commission and now the National Employment Service, and of course the extension of the vote to our Indian population, all have had the beneficial effect of encouraging Indians to move into the general economy of Canada.

I know that one of the recommendations which recently came out of the committee, whose members have been active in examining the growing problems of our Indian citizens, was that provision be made along the lines which have been announced here this morning. It was my privilege a few weeks ago to attend the conference on Indian affairs in Winnipeg which is sponsored every year by

the greater welfare council of Winnipeg. This year it was handled entirely by the Indians themselves, and housing was one of the main problems discussed during that conference.

We hope the benefits of the program will become available immediately. One of the difficulties in recent policy announcements on Indian affairs has been that the announcement has been followed by a gap in activity at the local level. Naturally the Indians are tremendously interested in this program. They will be making inquiries and applications and I trust the program has developed to such an extent that it will be possible to implement it now at the local level.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, ever since parliament approved by a special vote the principle of broadening the housing program for the Indian people the members of this party have been anxiously awaiting the announcement of the details which the minister has given us this morning. We certainly subscribe to the statement in the minister's announcement that the Indian people themselves should have the broadest possible freedom of choice as to the area in which they live and the role they wish to play within the general framework of our society. We welcome the special provisions that are made within this program to assist them, although we recognize that the value of this program, particularly for those Indians who are in the higher income levels, will be subject to the same limitations of high cost financing which apply to our general housing programs in this country. So, when we approve of this proposal it should not be construed that we fail to recognize the limitations which it has.

I feel the suggestion the minister made in his announcement to the effect that supervision of the program should be in the hands of the Department of Veterans Affairs is excellent. I believe most of us recognize that over a period of years in the administration of the special program for veterans housing a great deal of expertise has been acquired by the personnel of that department. The only query in my mind in this connection concerns the availability of field personnel in the Department of Veterans Affairs to advise the Indians. I hope the agreement the minister has reached with this department has adequately covered that point.

I believe most of us agree that the Indian people have been subjected to very severe hardships in trying to find any kind of decent housing in communities outside of their own reserves. They will welcome and take advantage of this program in increasing numbers. Certainly I know I have been receiving a good many inquiries as to how and when they were going to be able to approach this question. I hope the detailed administration of this program in the field will be advanced more rapidly than some of the other programs the Indian affairs branch has been attempting to initiate. We sometimes become aware of the limitations—

Mr. Speaker: Order, please. I take the liberty of interrupting the hon. member to remind him of the provisions of the relevant standing order which enjoins members commenting on ministerial statements to make brief comments. I know the term "brief" is relative. The hon. member may like to bring his remarks to a close rather soon.

Mr. Barnett: I assure you, Mr. Speaker, I was just on the point of terminating my remarks. I do not want to get into competition with the hon. member for Brandon-Souris (Mr. Dinsdale) or any other member.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, just a few words, for I shall be very brief, to congratulate the hon. Minister of Indian Affairs and Northern Development (Mr. Laing) on having announced a housing program for the Indian reserves.

I believe the allotment of that amount, namely one million dollars, was anxiously awaited by the Indians and I trust those public funds will be spent in the direct implementation of the government's goal of handing over to the Indians the administration of their reserves, and not in such a way as to allow those now in authority on the reserves to go on exerting their influence. I think the hon. minister is aware of this and of the fact that Indian reserve councils as well as responsible Indians in my riding, are anxious to manage their own affairs without always having some white manager, or even five or six of them, to embroil matters.

I wish with all my heart that the program announced by the hon. minister to enable the Indians to administer their own affairs will be implemented as soon as possible and by so doing, I think that I am expressing the wish of the people mainly responsible for our Indian reserves. I am sure that once in possession of the necessary power to administer their reserves, they will find qualified people. In fact, I think that there are as many

qualified people among the Indians as anywhere else. It is simply a matter of finding them and especially letting them do their job, instead of expatriating them or forcing them out of their reserves so that only the middle class remains there. It is imperative to leave on the reserves Indians who are able to do things, in order to give them the opportunity to work for their fellow-citizens.

• (11:20 a.m.)

[*English*]

DOMINION DAY

PROVISION FOR OBSERVANCE OF NATIONAL DAY

Mr. H. E. Gray (Essex West) moved for leave to introduce Bill No. C-108, respecting the observance of Dominion day.

Some hon. Members: Explain.

Mr. Gray: Mr. Speaker, I am once again placing this bill on the order paper to draw attention to the need for changes in our legislation to help ensure that Canada's national day can be observed in an appropriate manner throughout our country.

[*Translation*]

The object of this bill is to have our national day celebrated in an appropriate manner all over the country.

[*English*]

I should like to draw attention to the fact that the original version of this bill drew important non-partisan support in the last session. For example, a number of suggestions made by the hon. member for Carleton (Mr. Bell) will be incorporated—

Mr. Speaker: Order, please. These remarks are not in order.

Motion agreed to and bill read the first time.

CRIMINAL CODE

AMENDMENT RESPECTING RAFFLES AND BINGOS FOR CHARITABLE PURPOSES

Mr. H. E. Gray (Essex West) moved for leave to introduce Bill No. C-109, to amend the Criminal Code (raffles and bingo for charitable purposes).

Some hon. Members: Explain.

Mr. Gray: Mr. Speaker, I am again placing this bill on the order paper to draw attention to the continuing need to amend the Criminal Code so that service clubs and other non-profit community service groups that wish to do so can raise funds in the manner referred to in the bill, in the amount and in manner sufficient for the charitable and religious objects of these groups.

Motion agreed to and bill read the first time.

FOOD AND DRUGS ACT

EXTENSION OF PROVISIONS TO FABRICS, DETERGENTS, PAINTS AND DYES

Mr. Warren Allmand (Notre-Dame-de-Grâce) moved for leave to introduce Bill No. C-110, to amend the Food and Drugs Act.

Some hon. Members: Explain.

Mr. Allmand: Mr. Speaker, this bill is the same as the one I introduced in the last session but I forgot to include it in the draw. It provides that the Food and Drugs Act be amended to include fabrics, detergents, paints and dyes and to give the consumer the same protection for these products as the act does for food and drugs.

Motion agreed to and bill read the first time.

INTERPRETATION ACT

REVISION AND CONSOLIDATION, AND CONSEQUENTIAL AMENDMENT OF OTHER LEGISLATION

Hon. P.-E. Trudeau (Minister of Justice) moved the first reading of Bill No. S-6 (from the Senate), to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

VIET NAM—REQUEST FOR HOUSE DISCUSSION FOLLOWING SPEECHES BY MINISTERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, as the cabinet has shown marked division, amounting almost to discord, in its views regarding Viet Nam, and considering that the views expressed by the President of the Privy Council (Mr. Gordon) and the Registrar General (Mr. Turner) are dissimilar to the views expressed by the Prime Minister and Secretary of State for External Affairs (Mr. Martin), will the Prime Minister now arrange to set aside a day or two so the House of Commons may deal with this matter?

Inquiries of the Ministry

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as we are in the throne speech debate there is an opportunity to make statements on this matter. After the throne speech debate we hope to proceed to consideration of the estimates. The opposition parties, of course, will be consulted about the departments to be considered. If the Department of External Affairs is to be considered at an early date there will be ample opportunity then to discuss this matter.

Mr. Diefenbaker: Will the Prime Minister not answer the question? Will he not lend his prestige to having a resolution brought before the house so the question of Viet Nam may be discussed by parliament, not by some committee but by the House of Commons in session?

Mr. Pearson: Mr. Speaker, if the estimates of the Department of External Affairs are before the House of Commons this matter can be discussed in the House of Commons. No resolution is required for that. I do not think any special procedure is required at the moment to bring about this discussion, considering there has been no change in government policy.

Mr. Diefenbaker: The Prime Minister on this occasion will not be able to say that he did not read the remarks of the President of the Privy Council and is therefore unable to comment thereon. Will the Prime Minister say whether he approves of the views expressed by the President of the Privy Council which are in contradiction to everything that has been placed before the house by the Prime Minister and the Secretary of State for External Affairs?

Mr. Pearson: My right hon. friend is confusing views and policies.

Some hon. Members: Oh, oh.

Mr. Pearson: I repeat to my right hon. friend that there is no change in government policy as laid down by the Secretary of State for External Affairs on April 11 and by myself in a letter dated February 21, which was made public on May 10. I also referred to the question in the house the other day.

Mr. Diefenbaker: A further supplementary question. Is the Prime Minister now suggesting that there is no such thing as cabinet solidarity? Are we witnessing, as a result of these statements, the absurd and ramshackle idea of cabinet solidarity practised by this government?

[Mr. Diefenbaker.]

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question to the Prime Minister, Mr. Speaker. Considering the trenchant and clear statement made by the President of the Privy Council to the sixth arts of management conference at Toronto on Saturday, May 13, may we assume that what he said was government policy with respect to Viet Nam? Has that been endorsed by the cabinet as the policy which is to obtain for the Canadian government?

Mr. Pearson: Mr. Speaker, I cannot prevent the hon. gentleman from making any assumptions he cares to make. I have already said this morning that government policy on this matter is that which has been laid down by the Prime Minister and the Secretary of State for External Affairs, and that has not changed.

Mr. Douglas: Then may I ask the Prime Minister whether the policy of cabinet solidarity has changed?

Some hon. Members: Oh, oh.

Mr. Pearson: The principles and obligations of cabinet solidarity are well understood.

Mr. Diefenbaker: But not followed by this government.

Some hon. Members: Oh, oh.

[*Later:*]

Mr. Heward Grafftey (Brome-Missisquoi): In the light of the questions which have already been asked with regard to cabinet solidarity, and bearing in mind the speeches made by the Registrar General and the President of the Privy Council on the Viet Nam situation, I should like specifically to ask the Prime Minister whether he supports the theory that responsible parliamentary government demands cabinet solidarity on major parliamentary issues.

Mr. Speaker: Order. That question is much too general in nature to be asked now.

Mr. Grafftey: The question is general in nature but I related it to the specific instance which is exercising the minds of Canadians right now. Does the government feel that cabinet solidarity is called for with regard to the subject of Viet Nam policy?

Mr. Pearson: I hope that in due course the hon. member will learn from experience what cabinet solidarity means.

Some hon. Members: Oh, oh.

Mr. Eric A. Winkler (Grey-Bruce): To put the question much more succinctly, can the Prime Minister tell us what is going to happen to the President of the Privy Council?

VIET NAM—PRESS REPORTS OF CONVERSATIONS WITH CZECHOSLOVAKIAN PRESIDENT

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): My question is for the Prime Minister. Press reports of the right hon. gentleman's conversations with President Novotny of Czechoslovakia indicate a surprising extent of agreement, particularly on Viet Nam. Could the Prime Minister tell the house whether the statement in this morning's *Globe and Mail*, which in effect places the onus for dissolving the conflict on the "actions of the United States", was part of that agreement?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. The agreement which was reached between the president of Czechoslovakia and myself on this matter was that the war should be brought to an end as quickly as possible, and that to that end the bombing should end as soon as possible.

VIET NAM—PRESS REPORT ON MEETING OF U.S.-CANADA INTERPARLIAMENTARY GROUP

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): My question relates to the sessions conducted in the last few days by the Canada-United States interparliamentary group over which you, Mr. Speaker, presided, and I should like to direct it to the Prime Minister.

In view of the very misleading statement which appeared in an Ottawa newspaper on Saturday that pressure was applied by the Canadian delegates on their United States counterparts in regard to certain topics under discussion in the defence and security committee, and in view of the fact that extremely important and enlightening information was freely conveyed to us concerning United States views on the most recent developments in Viet Nam, would the Prime Minister consider giving the Canadian people through a news release a correct report of the true nature of these valuable discussions?

Would he also inform the Canadian public that the majority of the members of the committee, while deeply deploring the conflict, emerged from the meetings assured and convinced—

Mr. Speaker: Order, please.

Mr. McIntosh: —that the United States government is doing everything in its power—

Some hon. Members: Order.

Mr. Speaker: Order. I am sure the hon. member will admit that this is a statement rather than a question.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the right hon. Prime Minister and relates to another matter than that just dealt with.

The Prime Minister invited provincial premiers to attend a Canadian constitutional conference to take place early next July. Now, as the premier of the province of Quebec has stated that that sort of conference would take place between two cognacs, I should like to ask the Prime Minister whether he has begun to increase his supply of cognac for that occasion.

[*English*]

GRAIN

INQUIRIES AS TO PROVISIONS OF INTERNATIONAL WHEAT AGREEMENT

On the orders of the day:

Hon. D. S. Harkness (Calgary North): I should like to direct a question to the Minister of Trade and Commerce in connection with the recently concluded international wheat agreement. Has any provision been made in that agreement for a minimum amount which the consuming or importing countries have agreed to take? If so, what is that amount?

Hon. Robert Winters (Minister of Trade and Commerce): No, sir, there are no minimum amounts provided for in the agreement.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question with reference to the cereal grain agreement and the GATT negotiations. What are the arrangements for the contribution of this 4.5 million tons of wheat for needy countries? The minister said Canada will contribute half a million tons. Will we be paid for that amount, and then make a financial contribution to whatever fund is set up?

Mr. Winters: No, sir. It is my understanding that the contribution will be made in kind, in wheat, flour or some equivalent foodstuff.

Inquiries of the Ministry

Mr. Eldon M. Woolliams (Bow River): In view of the minister's statement last night —some of us have had time to read it now —I wonder whether he could clarify this point. In view of the fact that the European common market is a protected market for the member countries, does the international wheat agreement entered into in Geneva between certain exporting and importing countries guarantee a price that Canada will get from Great Britain in reference to exports of wheat to that country?

Mr. Winters: I am not sure I understood that question.

Mr. Woolliams: I will put it this way. Does the agreement in question, if it is in question, guarantee a price for wheat exported to Great Britain from Canada after Great Britain joins the European common market?

ADMINISTRATION OF JUSTICE

COMMITTEE RECOMMENDATION RESPECTING MANDATORY BREATH TESTS

On the orders of the day:

Mr. Barry Mather (New Westminster): I wish to direct a question to the Minister of Justice. Can the hon. gentleman tell us whether a decision has yet been reached on the unanimous recommendation of the justice and legal affairs committee calling for mandatory breath tests for drinking drivers?

Hon. P.-E. Trudeau (Minister of Justice): The Department of Justice has examined the report of the committee and has reached certain conclusions which will be incorporated in amendments to the Criminal Code. The introduction of these amendments is, of course, a matter which involves the parliamentary timetable and I cannot answer that part of the question.

TRADE

REQUEST FOR DETAILED STATEMENT ON NEW GATT AGREEMENT

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): I have a question for the Minister of Trade and Commerce following those which have already been addressed to him on the subject of wheat. In view of the interest felt in all parts of the country in the minister's statement yesterday, and the attempts to explain it which appeared in the press today, would the hon. gentleman consider giving us more information about the agreement, particularly as to its likely eflect on consumers in Canada both in the short term and in the long term? I am thinking now of the effect on such basic products as newsprint, aluminum and so on. Would the minister consider making a statement on motions?

Hon. Robert Winters (Minister of Trade and Commerce): I will be glad to do that as soon as I can, but it will not be possible to make such a statement for some time. This was an agreement reached among the major trading nations. It must be considered by all the nations participating in GATT, and it will probably take until the end of June for them to work out all the details and announce them. But as soon as it can be done I will be glad to comply with the hon. gentleman's request.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Can the minister indicate what is the average reduction in tariffs to which Canada is committed in connection with manufactured articles entering this country from the United States? He does not need any information of the kind he has just mentioned in order to answer that question. With our tariffs so much lower than United States tariffs, if the cut goes too far the result cannot be beneficial to Canada. Would the minister say what will be, and I repeat "what will be", the average reduction on manufactured goods coming from the United States into Canada if the present negotiations as concluded are carried out?

Mr. Winters: Mr. Speaker, the level of tariffs is a matter for the Minister of Finance, and I would be glad if the question could be redirected to him.

Mr. Diefenbaker: Mr. Speaker, I would be very happy for assistance from the Minister of Finance.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, it has been announced a number of times in this house, both prior to and during the negotiations, that Canada would not agree to negotiate on the basis of across the board tariff cuts, and it would be quite impossible and quite meaningless to give any percentage figure.

Mr. Diefenbaker: You simply don't know; that is all.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I wish to direct a supplementary question either to the Minister of Trade and Commerce or to the Minister of Finance. How soon will the government be in a position to issue a paper showing in detail what the

various tariff changes will be, and thus put the house in a position to debate or discuss this matter?

Mr. Sharp: Mr. Speaker, may I be permitted to answer the part of the question that relates to the Canadian tariff which, of course, comes under the Department of Finance. It would be my intention to bring in resolutions to implement the reductions in tariffs that have been negotiated but it would be impossible to do this, as my colleague the Minister of Trade and Commerce has said, for some time. I might say to the house now that for this reason I think it might be useful if in the debate on the budget the resolutions themselves were not entirely disposed of until I could bring in resolutions dealing with the tariff cuts.

Mr. Harkness: Can the minister indicate how soon a paper can be issued showing what these changes will be, thus putting the house in the position of being able to come to some conclusion in regard to what their effects will be on the economic life of the country?

Mr. Sharp: Mr. Speaker, as my colleague the Minister of Trade and Commerce has said, I do not think this will be possible before the end of June.

Mr. Lloyd R. Crouse (Queens-Lunenburg): May I ask a further supplementary, Mr. Speaker. The Minister of Finance has said these negotiations will take some time. When he says "some time" are we to assume it will take as long as it has taken the Secretary of State for External Affairs to negotiate the boundary lines for the 12 mile limit?

Mr. Speaker: Order, please.

HEALTH AND WELFARE

ESTABLISHMENT OF TRAINING WORKSHOPS FOR MENTALLY RETARDED

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the recent statement by the Minister of Manpower and Immigration that training will continue to be accorded to the retarded under the Vocational and Technical Training Act, and in view of the fact that the House of Commons at the end of last session repealed this act, making it impossible to carry out the minister of manpower's wishes, will the Minister of National Health and Welfare give consideration to the setting up of so-called sheltered workshops in all parts of the country for training the mentally retarded in physical skills essential to their self sufficiency?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I think it is possible under the terms of the Canada Assistance Plan for the federal and provincial governments to co-operate in the development of work activity projects which could be applied to the mentally retarded in an effort to bring them into the active labour market. I am sure this is possible under the terms of the Canada Assistance Act. My hon. friend may be interested in knowing that recently the government took a decision to provide $2½ million over a period of time to develop needed research and demonstration projects into the whole complex field of mental retardation.

Mr. H. W. Herridge (Kootenay West): As a supplementary question, Mr. Speaker, would the minister mind informing the house whether there have been any consultations with the provinces on this subject, or any agreements to date?

Mr. MacEachen: Mr. Speaker, a number of agreements have been concluded between the provinces and this government giving effect to the Canada Assistance Plan. I would be happy to investigate whether any work activity projects under the plan have been put into motion in any of the provinces.

EXPO '67

PROVISION FOR ATTENDANCE OF PEOPLE ON LOW INCOMES

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Since many needy Canadians, especially welfare recipients and pensioners, find it difficult to visit Expo '67, would the government consider making arrangements to provide these people with special admission passes, at least on certain days of the week or during certain months of the year?

Hon. Robert Winters (Minister of Trade and Commerce): As the hon. member knows, Mr. Speaker, Expo is a corporation run under a tripartite agreement participated in by three levels of government. However, I shall be glad to take the question as notice.

Inquiries of the Ministry

[*Translation*]

AGRICULTURE

QUEBEC—REQUEST THAT EGG IMPORTS BE REDUCED

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I wanted to put a question to the Minister of Agriculture, but in his absence, I will address it to his parliamentary secretary.

In view of the massive importation of eggs into the province of Quebec, which penalizes intolerably our own producers, would the parliamentary secretary tell us what steps the minister will take to remedy this situation which is detrimental to our farmers?

[*English*]

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I shall be happy to bring this question to the attention of the minister. I am sure the hon. member will agree that any announcement with regard to the policy of the government should be made by the minister later.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the President of the Privy Council, who has had a very easy morning. In view of his espousal of the right of free speech in matters of conscience, will he now recommend the reinstatement of Mr. John Kroeker, whom he as minister of finance had fired for the same reason?

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Will the government carefully study the idea of the abolition of the royal power of dissolution put forward by that anti-crown minded member for Carleton (Mr. Bell)?

Hon. R. A. Bell (Carleton): Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. I rule the question out of order. I understand the hon. member for Carleton is rising on a question of privilege.

Mr. Bell (Carleton): Yes, Mr. Speaker. Twice the hon. member has made this statement, once yesterday in my absence. I did not raise a question of privilege earlier because I did not wish to advertise this stupid remark. There is no truth whatsoever in it.

EXTERNAL AFFAIRS

VIET NAM—ALLEGED ACTIVITIES OF CANADIANS ON CONTROL COMMISSION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would direct this question to the Prime Minister. It has to do with the statements made by Mr. Gerald Clark, associate editor of the Montreal *Star*, and corroborated by Mr. Tim Ralfe of the C.B.C. Now that the Montreal *Star* has editorially stated that Mr. Clark's statements are true, that Canadians on the international control commission are passing, in their official capacity as members of the commission—

Mr. Speaker: Order, please.

Mr. Diefenbaker: —information to the United States intelligence—

Mr. Speaker: Order, please. Is the right hon. gentleman asking a question directly?

Mr. Diefenbaker: Now that this has been reported and confirmed, will the Prime Minister arrange to give an opportunity to these two people to establish what they say they can, namely that the government misled the house?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the confirmation by an editorial in a newspaper of its reporter's statements does not necessarily mean a confirmation of the facts. I have stated in the house that there was no spying or clandestine activity by the Canadian members of the commission, and I stand by that statement.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Will the Prime Minister not give these men the opportunity to establish what they know? Surely he is not going to deny them that, having said it was not correct and was not true?

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a supplementary question to the Prime Minister, Mr. Speaker. While he has said there has been no spying, the statement to the effect that documents, tape recordings and photographs were transmitted to the United States authorities by military personnel attached to the Canadian delegation on the I.C.C. has not been denied. May I now ask

the Prime Minister is he prepared, having made full investigation, to deny that statement which was made by both Mr. Clark and Mr. Ralfe?

Mr. Pearson: Mr. Speaker, I have already dealt with that point in an answer to a question when I said, among other things, that the Canadian members of the commission reported only to the Canadian commissioner and the Canadian commissioner to the Canadian government.

Mr. Douglas: As a supplementary question, the Prime Minister also said at the time this matter arose that he would be quite prepared to have the two gentlemen in question appear before the external affairs committee. I asked him the other day would he be prepared to introduce a motion referring this matter to the external affairs committee, and the Prime Minister offered to take that as notice and look into it. Is he now in a position to say the government is prepared to initiate discussion and investigation of the matter?

Mr. Pearson: Mr. Speaker, I think the external affairs committee is in a position to express its own interest in this matter if it so desires. However, my hon. friend knows it is not usually a very productive process to inquire of newspaper men the sources of their information.

Mr. Diefenbaker: You are a little afraid of the results, aren't you?

HOUSING

EXTENSION TO ESKIMOS OF OFF-RESERVE INDIAN PROGRAM

On the orders of the day:

Mr. R. J. Orange (Norhwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development, and I join with other hon. members in welcoming the minister's announcement today about the off-reserve Indian housing program which will have—

Mr. Speaker: Order, please. The hon. member knows the rules do not permit him to comment on ministerial statements. He should ask his question.

Mr. MacInnis (Cape Breton South): Try the caucus tomorrow.

Mr. Orange: Will the minister indicate whether the off-reserve housing program announced today will also apply to the Eskimo people who move from their traditional settlements into areas where economic opportunities are available?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Not at the present time, Mr. Speaker, because we have a separate Indian-Eskimo housing program which is exceedingly generous but which is not designed to bring Eskimos to southern Canada.

Mr. Orange: I have a supplementary question. Is the minister now considering the establishment of a program similar to that announced today for the Métis population of Canada?

Mr. Laing: No, Mr. Speaker.

Mr. Robert Simpson (Churchill): I have a supplementary question, Mr. Speaker. In view of the fact that within the last few years a number of Indian people have become integrated in the industrial employment areas and enfranchised, will they qualify for the benefits under the housing program announced by the minister?

Mr. Laing: If they are currently on reserves, yes.

Mr. Simpson: I have a further supplementary question. In view of the fact that a number of Indian people have become integrated in the industrial employment areas in the last few years and are residing in areas where Central Mortgage and Housing Corporation will not grant housing loans unless they are guaranteed by the industry, will the minister assure the house that any Indian who qualifies for the $6,000 grant will also qualify for a C.M.H.C. loan in order that he may complete his house?

Mr. Laing: Mr. Speaker, I think my statement clearly indicated the purpose we have in mind in respect of providing housing for Indians who elect to leave the reserves and move into settlements. I expect if this is carried out in the spirit in which I made the announcement my hon. friend will be satisfied.

HOUSE OF COMMONS

PROVISION OF EXPERT ASSISTANCE FOR MEMBERS

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question for the right hon. Prime Minister. Has that right hon. gentleman received representations from the Canadian Federation of Agriculture under date of May 10 to the effect that in view of the growing burden of responsibility on members of parliament, expert and specialized

Inquiries of the Ministry

personnel should be made available to members of our Commons, similar to the assistance provided members of the United States House of Representatives and Senate; and will the Prime Minister give serious consideration to implementing such a proposal?

Mr. Speaker: Order, please. I suggest this question be placed on the order paper.

EXTERNAL AID

SUGGESTED CRASH PROGRAM FOR EARLY ACHIEVEMENT OF OBJECTIVE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Prime Minister. In view of the very strong speech he made yesterday in Montreal urging the importance of aid to developing countries, will the government consider inaugurating a crash program so that Canada this year might achieve the goal the government has set for 1970?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we have already increased our program very considerably, and it will be further increased next year. We expect and hope that by 1970 we will reach the figure of 1 per cent of our national income, in which case we will be the only major economic and industrial country in our position to have reached that figure. I think we are doing very well, and I doubt that any crash program is required.

Mr. Knowles: I have a supplementary question, Mr. Speaker. Does the Prime Minister feel that a figure of 1 per cent will match the spirit of the speech he made yesterday in Montreal?

Mr. Speaker: Order, please.

[*Translation*]

NATIONAL DEFENCE

QUEBEC—COMPLAINTS OF PROPERTY DAMAGE CAUSED BY AIRCRAFT

On the orders of the day:

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, my question is addressed to the Minister of National Defence. Is he aware of the numerous complaints against the military manoeuvres being carried out at Bagotville during which the flyers break the sound barrier and cause real damage, in the country as well as in the cities?

Mr. Speaker: This question should be put on the order paper.

[Mr. Southam.]

FOREIGN TRADE

TEXTILES—EFFECT ON NEW AGREEMENT UNDER GATT

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, my question is addressed to the Minister of Trade and Commerce, and concerns the overall agreement achieved yesterday in the Kennedy round of negotiations. Is the minister in a position to tell the house whether an agreement has been laid down as regards the exports of textile products to Canada and whether our country should expect an increase in the imports of such products?

[*English*]

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, that question can be answered when a broader statement is made in respect of the context of the agreement reached. I hope that can be done as early as possible, but certainly not within the next few days.

[*Translation*]

Mr. Allard: A supplementary to my first question, Mr. Speaker.

When the hon. minister makes his statement soon, as he just told the house, will he be able to tell the house whether there will remain, in this overall GATT agreement, the rule that enabled a country to protest whenever it was submerged or too heavily affected by foreign importations?

Mr. Speaker: Order. This question is not in order.

AIRPORTS

VAL D'OR, QUE.—INQUIRY AS TO CONSTRUCTION

On the orders of the day:

Mr. Réal Caouette (Villeneuve): My question is directed to the hon. Minister of Transport. Has he anything new to tell this house as regards the building of an air terminal in Val d'Or, which has been referred to in this house for at least three years? Has the minister arrived at a decision concerning this matter?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I think this is moving a great deal faster than it has in previous years.

FISHERIES

NOVA SCOTIA—REQUEST FOR EXTENSION OF LOBSTER FISHING SEASON

On the orders of the day:

Mr. J. O. Bower (Shelburne-Yarmouth-Clare): Mr. Speaker, I have a question for the Minister of Fisheries. In view of the fact that storms and the prolonged unseasonably cold weather have restricted the lobster catch to much below normal proportions in district 4, Nova Scotia, with only 15 days left in the season, will the minister give an assurance that the season in this district will be extended by at least 15 days in order to give the lobster fishermen there a chance to reap something at least approximating the normal harvest which will help several thousand people to avoid winding up in debt as a result of this activity on which they depend fundamentally for their annual income?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I regret that I cannot at this time give an assurance that the lobster season will be extended in district 4. As I said earlier in this house, an assessment of the catch will be made toward the end of the regular season, and if it is judged advisable to extend the season it will be extended at that time.

Mr. Bower: I have a supplementary question. Will the minister make up his mind earlier than just before the end of the season, because by then the people will have abandoned their efforts in this line of activity.

Mr. Speaker: Order, please.

PARLIAMENT BUILDINGS

BLACKOUT OF PARLIAMENTARY LIBRARY DURING CENTENNIAL SPECTACLE

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I think I should direct my question to the Minister of Public Works, and in his absence I will place it on record. Has an order been issued that the Library of Parliament be closed and blacked out every night from now until October while the son et lumière spectacle is taking place?

GRAIN

INQUIRY AS TO INCREASE IN INITIAL PAYMENT

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Now that the price under the international wheat agreement has been raised is the minister in a position to indicate an increase in the initial payment for wheat to producers in western Canada?

Hon. Robert Winters (Minister of Trade and Commerce): Not at the moment, Mr. Speaker.

Mr. Nasserden: I have a supplementary question. When can we expect an announcement in this regard?

Mr. Winters: Mr. Speaker, this is a policy decision which can only be announced after it is made, and no decision has been made as yet.

Mr. Nasserden: Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the question I placed before the Minister of Trade and Commerce regarding an early decision on an increase in the initial payment for wheat—

Mr. Speaker: Order, please.

INQUIRY AS TO SHIPMENTS THROUGH PORT OF CHURCHILL

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Is the minister now in a position to say what may be the expected tonnages of grain shipments through the port of Churchill this year?

Mr. Speaker: Order, please. The hon. member is asking for statistical information which cannot be given at this time.

HEALTH AND WELFARE

INCLUSION OF ADDITIONAL SERVICES UNDER PROVINCIAL PLANS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the minister of health and welfare regarding the statement by Dr. Ralph A. Connor, chief of the dental division of the Department of National Health and Welfare, who said:

> If a provincial government wanted to sponsor a comprehensive dental insurance scheme and it could exert sufficient pressure on the federal government, there is no legislative barrier blocking it.

I should like to ask the minister whether this means that the federal government now is prepared to accede to the request of any provincial government for either a dental insurance program or for an optometric care insurance program.

Inquiries of the Ministry

Hon. A. J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker; that conclusion would not be warranted from the statement read.

Hon. Michael Starr (Ontario): May I ask a supplementary question, Mr. Speaker. Is there not a provision in the medicare legislation to the effect that if a province wishes to include services other than those specified in the act the federal government under that act has the authority to make the additional provision?

Mr. MacEachen: Yes, Mr. Speaker; the act provides that the governor in council, under conditions laid down by the governor in council, can act in concert with any province to add further services. That is the authority in the bill. The policy of the government at the present time is not to add further services except to recommend to the governor in council, as indicated during the debate, that certain surgical procedures would be shareable at the option of the provinces.

Mr. Douglas: I have a supplementary question, Mr. Speaker. May I ask whether any province has requested an extension of the health insurance field to cover services other than the medical and surgical services?

Mr. MacEachen: Mr. Speaker, in the strict sense I think the answer is yes; certain provinces have requested the extension of particular services. The matter was discussed fully at the conference of ministers of health held earlier this year. There certainly was no consensus for the extension of any particular services among the provinces. Certain provinces, I believe, would like to have certain services extended at this time. Others were non-committal and others were opposed.

Mr. Stanley Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. May I ask the Minister of National Health and Welfare whether the act requires a consensus before any of these services are added, or whether they can be added province by province.

Mr. Speaker: Order. The question obviously is argumentative.

BUSINESS OF THE HOUSE

REQUEST FOR EARLY ESTABLISHMENT OF STANDING COMMITTEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare in his capacity as government house leader. In view of the several references made this morning to matters which might be dealt with by committees, for example the external affairs question, can we be assured that the committee to strike the standing committees will make its report in a few days so the standing committees may be established?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, it is my expectation that the motion to set up the standing committees will be proposed immediately after the adoption of the address.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, May 15, consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. L. M. Brand (Saskatoon): Mr. Speaker, in making a few comments on the speech from the throne I should like to refer directly to the document itself and to some of the plus factors, you might say, and many of the minus factors which are evident in the speech.

On hearing the speech from the throne I believe the first thing which came to one's mind was the fact that this government is unsure of itself. We find in the speech that the government wishes to have a great deal of room to manoeuvre. Then sadly we notice that the only conclusion to which we can come is that the government's priorities are not necessarily the nation's priorities. At page 2 of *Hansard* we find this in the throne speech:

> It is also conscious—

That is the government.

> —that the advantages and disadvantages of the present constitutional structure are deeply intertwined.

Then it goes on:

> Studies to obtain the best advice on this important matter are now under way with a view to subsequent consideration of the whole problem by parliament.

Surely, Mr. Speaker, it is an accepted fact that the reform of Canada's constitution is something that demands immediate and open discussion. It is now nearly three years since

the party I represent proposed a national conference on confederation. In those three years numerous studies have been made, numerous books have been written and numerous speeches have been made. Surely no one will deny that this subject is one which requires a thoughtful, reasoned and even cautious approach. But neither can it be denied that there never has been a time more opportune or a moment more significant than this centennial year to bring into the open the question of reform of the constitution of our country.

It is all very well to say that the study is going on. But why has this study taken place in darkened rooms with the doors closed and shutters drawn, with not even a flicker of a candle flame to cast a little light on the goings on? Why can it not be brought into the open in an open forum of discussion and opinion? Are we not a country which is mature enough to sit down and reason what our course must be?

I do not think there is any doubt that we are such a country. No one asks that this discussion be concluded overnight. We ask only that the people who love this country be given the opportunity, whether they be scholars or anything else, to express the spirit of their nationhood on the 100th anniversary of this country. After all, a constitution is more than a set of laws; it is the embodiment of a nation's conscience.

I do not suggest for a moment that the government should cease the studies it has undertaken. Rather I suggest that men with piles of books in these darkened rooms cannot capture this conscience for our nation. Let us cast aside every partisan consideration on the part of this government and convene this great constitutional conference. We cannot harm ourselves, and surely we can aid our progress through this second century. Let us have debate and discussion from one coast to the other coast. Let us instil in our people a sense of pride, and future pride, in their country, a pride proceeding from their full participation in deciding the destiny of our country. I think we should write an exciting prologue to parliament's consideration of our constitution. Let us do it now, to have in our remembrance of the centennial year this vital contribution to our future.

• (12:10 p.m.)

Farther along on page 2 of *Hansard* of May 8, the speech from the throne goes on to read:

> Today the main struggle is against social injustice, against cultural mediocrity, against spiritual stagnation and against all forms of intolerance.

These are fine words indeed. Let us take social injustice first. Where in this document is there an indication of one piece of legislation to ease social injustice? Where is the promised war on poverty? Where is there concern about the disabled and the sick? Where is there concern about mental illness, the greatest single cause of illness in our country? Yet the division of mental health in the Department of National Health and Welfare has been repositioned to a lower level. Apparently it is not considered important enough to be given the type of attention that it should be given. Does the government think its job is done in this field, or does it think that the setting up of another bank or network of computers will solve it? Does the government care? I am sure the people wonder if it does.

The throne speech mentions cultural mediocrity. Who are the government accusing of cultural mediocrity? Is it Expo '67 perhaps, or our musicians, our writers, our artists and our poets? Is it accusing Maureen Forrester, Léopold Simoneau, Glenn Gould or Wilfrid Pelletier? Does it accuse Donald Lautrec, Gordon Lightfoot, Harold Town, Hugh MacLennan, the Royal Winnipeg Ballet or Les Feux Folets? Are those the people and the groups whom the government is accusing of cultural mediocrity? Someone says it did not accuse anyone. Perhaps this is a self accusation, because I think in Canada we have a very proud culture. I am quite sure that the people who are best known in this country are not the members of the government opposite but people like L. M. Montgomery, who wrote Anne of Green Gables in Prince Edward Island and Pauline Johnson in British Columbia. These names are well known in Canada, but how many know the Prime Minister? We know about the Group of Seven and W. O. Mitchell, but how many know the members of the government? I think it is indeed a strange thing to accuse anyone in this country of cultural mediocrity. This government seems to be blind to the enthusiasm, the excitement and the energy we have in our country.

The speech from the throne speaks about all forms of intolerance. I cannot agree more that we must fight against all forms of intolerance, but for whom is the government fighting? Is it fighting for our Indians and Eskimos? Perhaps the government have not yet seen the Indian pavilion at Expo. If they did they would see how the Indians speak with great eloquence in this pavilion. What indeed has the government done for these

native peoples? We hear promises and platitudes; today we are told we will build a few more homes for the Indians off the reserves and this at a time when the Indians themselves are pointing out that not sufficient is being done on the reserves. It appears that this government is blind to the needs of the people of Canada.

Then there is mention of spiritual stagnation. The speech from the throne has certainly covered the field. Who is the government accusing of spiritual stagnation? Is it accusing itself again? Is it accusing the men and women of this country who seek a new kind of Christianity? Is it accusing people such as the author of The Comfortable Pew and the people who have been debating it ever since? Is it accusing those who are responsible for the Christian pavilion at Expo? Is the government accusing our late revered Governor General Vanier of spiritual stagnation, or perhaps Cardinal Léger? Does the government know whereof it speaks? Surely it is the government which increases bureaucracy that can be accused of mediocrity and stagnation. Let us not accuse the people of Canada just because the government has no faith in them. The people all across this nation are waking up. They are not going to stand much longer for this type of nonsense.

On page 2 of the throne speech we find the following statement:

> The government will also take special measures in particular designated areas where human resources are not adequately utilized.

How long have we waited for this? How long has the government diddled and dawdled around letting the blind lead the blind before action is taken? The government goes on to say that it will take further measures for the retraining of adults, yet it seems to me that a few weeks ago in this house they were hurrying a bill through which had to do with the occupational retraining of adults. What was the matter with that bill? Did the government forget something? Is it adding something to it even before the legislation has had an opportunity to be carried out properly? This government is very strange; one end does not seem to know what the other end is doing. In the last few days we have had ample evidence of this strange polarity in the cabinet.

The throne speech refers to the involvement of the government in many matters; and so it should, because this government more than any other has continued the process of involvement and control. It takes money away and then gives it back with strings attached. Last year alone 11,000 new civil servants were hired by the government, making a total of nearly 250,000 in the public and related services. A short while ago I read somewhere that under this present administration bureaucracy has increased by almost a third. When this government is unable to act and unable to take initiative it puts another group on the top and pays its salaries. It answers problems with more bureaucracy.

[Mr. Brand.]

I am sure the hearts of the members of this house go out to the people of Canada who, petted, pampered and paid for from cradle to grave, are being protected from evil, shielded from thought, muzzled from expression by this government which admits in the speech from the throne that it is becoming increasingly involved.

No one wishes that there be people without food and shelter, without medical assistance or without the opportunity for advancement. In its half hearted attempt to protect the people of this nation the government has ordained that its task must be to stamp out spiritual stagnation and cultural mediocrity. It says to the people that it will take care of them, that it will raise their culture and spirit with bureaucracy and increased taxes. What a way to raise one's spirit. Thank God I have more faith in the people of this country than has this government. I am sure members on this side of the house would never be caught losing faith in the people who sent them here.

Undoubtedly there are some areas in this speech which are open to approbation. Even in a hash of analogies there is bound to be some truth. However, I will not go into them today. Many apologists from the other side will have already done this. I am sure their words are accurate in this regard, but I would rather spend a few minutes on what is lacking in the throne speech.

• (12:20 p.m.)

Somewhere in this throne speech, Mr. Speaker, amidst all these platitudes and hyperbolic overtures there is a program. Most of it is old, weather beaten and a little cracked here and there. Some of it reflects the fact that the government cannot make up its mind whether or not to be Canadian. Part of this program, if it were only more specific, could help the country, although the government appears to want to help this country for the wrong reasons. However, as I pointed out before, the priorities are reversed. There are problems and questions facing this country that require solution. Some of these the government says it will face, but some are not even mentioned.

Where, for example, is legislation for the control of air pollution? Where is there any mention of action on the recommendations of the committee on drug costs and prices? We spent a long time in that committee, had many meetings and made many recommendations in a lengthy and reasoned report. Where in the speech from the throne is there any mention of an attempt by this government to do something about the cost of drugs in this country? I have the report here, Mr. Speaker, and I should like to refer to page 51:

> Your committee has therefore come to the following conclusions:
>
> 1. That the price of drugs in Canada is at least higher than it need be;
>
> 2. That no significant change has taken place in the drug cost structure since the recommendations of the Hall commission which were primarily based on the recommendations of the restrictive trade practices commission;

I will skip a few recommendations, and then I find this:

> 7. That the implementation of the recommendations could alter in some respects the form of the drug industry as it exists today, removing inefficiencies in the industry and increasing competition;
>
> 8. That in anticipation of national and provincial welfare programs or the further development of other forms of health services, it is of paramount importance that legislation be introduced at the earliest practical date to implement the recommendations of this committee.

I will repeat that:

> —it is of paramount importance that legislation be introduced at the earliest practical date to implement the recommendations of this committee.

I could say a great deal about this problem. I have marked certain portions of the summary of recommendations contained in this report. Action could be taken by this government this session to lower the cost of drugs to the consumer. What has the government done? It has not even appointed a minister, though that is usually what they do, appoint another minister. I shall read recommendation No. 2:

> That the personnel and facilities of the food and drug directorate be expanded to make possible the implementation of the recommendations of the Boyd committee, the Hilliard committee and this committee.

I shall not read all the recommendations, but I should like to refer hon. members to recommendations Nos. 2, 4, 5, 6, 9, 13, 17, 18, 20 and 21. All these recommendations clearly show what this government could do to bring forward legislation to amend various acts and introduce other measures to help the food and drug directorate bring down the cost of drugs to the consumer. I should like to read recommendation No. 13:

> That the federal sales tax be removed from the sale of prescription drugs.

I remind hon. members that instead of removing the tax this government has raised it from 11 per cent to 12 per cent. Instead of helping the people who need help, the old folk with large drug bills, what have they done? They have added another 1 per cent to the tax, which in reality amounts to about a 9 per cent increase in the tax itself. This is what this government has done to help the people of Canada. It is no wonder we feel that government has its priorities backward.

Where is legislation to protect our dairy farmers from bankruptcy? Where is legislation to guard against inflation and stop the spiralling cost of living? Make no mistake, Mr. Speaker, there are two things that are bothering the people of Canada today. The first is the increase in taxation and the second is the ever increasing cost of living. These are the two problems which are becoming an increasing burden to every Canadian. If something is not done about them soon I would not be the least bit surprised to see more than the farmers marching on parliament hill. I think it is about time some of the people who are going to visit Expo stopped at this place on their way to express some of their views on taxation and the cost of living.

There are many other matters with which I should like to deal, but time is of the essence in this debate. I should have liked to discuss parliamentary rules and procedures. Perhaps at some other time I can do so. I should have liked to go into this question in detail because it seems to me this government, although it is suggesting changes, once again has its priorities backward. I believe the government is suggesting changes in the wrong way. I just say that I do not agree with the priorities suggested.

It is not merely an allocation of time, not merely the shortening of debate or the rushing through of legislation that we need. What we need is an expanded opportunity to study legislation, to understand the implications of the legislation brought before the house. I believe we require a further change in the committee system, perhaps allowing the committees more freedom to frame legislation. Members should be given assistance beyond that rendered by the parliamentary library, the type of assistance which is so necessary to make a member a good parliamentarian. I must say I was very pleased to hear the

Canadian Federation of Agriculture suggest today that research assistance be provided for members.

I mentioned earlier, Mr. Speaker, that no legislation had been announced to protect our dairy farmers from bankruptcy. In this connection I should like to refer to two articles in *Farm and Country*, the first of which is dated March 28, 1967 and headed "Ontario Industrial Farmers Must Have $5 Milk". This article is by Charles Munro, president of the Ontario Federation of Agriculture. Let me just read one paragraph:

> The demand for $5 per hundredweight for milk used for industrial purposes is neither frivolous, greedy or unreasonable. As a recent resolution of the Ontario Federation of Agriculture says, even this price is still short of economic equality for producers.
>
> This should not surprise anybody.

The second article which appeared in the same paper is dated April 11, 1967 and was written by the same gentleman:

> Government policy is supposed to help the people, not drive them up the financial wall.
>
> This is a thoroughly bad, thoroughly unacceptable policy. Mr. Greene was able—

I presume the writer is referring to our disabled minister or whatever he should be called:

> Mr. Greene was able last summer to divert the wrath of dairy farmers toward Queen's Park and Quebec city, thanks to the unsophistication of those heading the protest movement. If he hopes this year to continue avoiding criticism by putting up another false front in the form of the Canadian Dairy Commission he is wrong. Farmers now have a little less Greene in their eyes than they did.

This seems to say a mouthful, as we used to say out west. I am not going to go into all the reasons this dairy policy is not acceptable. I believe the parliamentary secretary to the Secretary of State put the case very well yesterday, and I refer to what he said at page 230 of *Hansard*. This is one statement which I believe is rather good, if I can find it:

> I would agree that such an argument might be true, but for an area such as Bonaventure and other less advanced areas where the number of dairy producers is less than a thousand with about 40 per cent having to look elsewhere for a supplementary income, those claims are fair and legitimate.

• (12:30 p.m.)

That is a member of the government, a parliamentary secretary, speaking. I could not agree more. In view of this, Mr. Speaker, I move, seconded by the hon. member for Wetaskiwin (Mr. Moore):

> This house regrets that Her Majesty's advisers have failed to submit a program to give the dairy farmers of Canada a guaranteed return on their product of $5.10 per hundredweight for all manufacturing milk.

With that in mind, Mr. Speaker, I wish in closing to say a few things about the speech from the throne. This speech makes pretty statements about confederation, but it ignores the meat of the matter. It ignores the fact of this nation and the strength of the nation. The strength of this or any other nation is in the strength of the individual and the collective strength of its peoples. Aside from these pretty statements, this government would have us even in this special year ignore the people. It would have us ignore their strength. It would even have us ignore their patriotism.

This is the government, Mr. Speaker, that takes away from our nation the heritage of our first one hundred years. This is the government that sneers at royalty, that would denigrate the fact that we are a constitutional monarchy, an example of the most stable form of government the world has ever seen. It is the same government that gives its people not leadership, not spirit or enthusiasm or even faith, but gives them commissions, studies, white papers, officials and ministers.

As we begin our second century as a nation, Mr. Speaker, let us recognize the needs of this great country. Let us recognize that there are two languages and two cultures. Let us allow our people to know one another, to understand one another. Let us give to our people no matter what language they speak the leadership they need in the cause of this unique country. In this centennial year let us rededicate ourselves as Canadians and as members of parliament to the principle that we are, above all, the representatives of the people who sent us here. Let us join with members of all parties to make this house more effective, with new rules, with television, if you want, with whatever is necessary. And let us never forget that this is the forum of the people; to use an old phrase, it is the wellspring of democracy.

We must protect and guide the interests of those we represent. We must encourage those who report our doings to them to be as objective and as factual as possible. But above all, Mr. Speaker, we must remember that if we are to have a new, proud Canada we must work to the limit of our abilities as individuals to preserve the freedom of purpose and choice that our people must have.

I conclude with one final quote from a former political science student at McGill University, Gerald Haslam; it is a very good one and I want to put it on the record:

> Let us go forth together, and work as we must. Let us hold high our heads and be proud. Let us make of this nation of ours, greatness.

Mr. Speaker: I assume that the hon. member wants to complete the form of his amendment and add at the beginning that the following amendment be added to the address. That is a technicality, but the motion will be amended accordingly.

Mr. Ed. Schreyer (Springfield): Mr. Speaker, at the outset I should like to extend congratulations to the mover and seconder of the address in reply to the speech from the throne. Like other hon. members who have spoken I too was impressed with the style and the manner in which both the hon. member for Burin-Burgeo (Mr. Jamieson) and the hon. member for Nicolet-Yamaska (Mr. Côté) carried out their duty.

Although I do not mean this in any unkind personal way I must say that I was left greatly confused, particularly by the subject matter of the speech of the hon. member for Nicolet-Yamaska. He would have us believe that the farmers of this country are quite satisfied with the current state of their industry and with the current price levels prevailing in agriculture. As has been said by the last speaker who just moved an amendment, this is certainly far from the case.

One reads in the throne speech paragraph after paragraph about the legislative intent of the government for the year 1967. A first reading of the speech would lead one to believe that this government has a lengthy list of legislative items with which it is very anxious to proceed in this special year. However, Mr. Speaker, it is the fact—I believe this has already been said—that of the entire throne speech only four items are new or original in this session. The others are items which have been carried over either from the preceding year or from the year before that. As my leader said on a previous occasion, this speech from the throne is a potpourri of leftovers.

I, like others here, should like to take the exhortation of the Prime Minister to heart, and would like to avoid making critical comment about this government's activities and the state of the nation. This after all is a special year, and the Prime Minister is no doubt right when he says we should not tear our hair as frequently as we have in past years but should do a little more tub thumping. Yet surely it is not unreasonable, Mr. Speaker, to suggest and suggest strongly that there are hard pressing problems in the country today, and that because they are hard pressing we must engage in hard hitting debate. We must engage in a thoroughgoing analysis of these problems.

It does not take any precision in research to determine what are some of these hard pressing problems. They affect certain income groups and certain occupational groups with particular severity. The first hard pressing problem—and I use every word with deliberate intent—which exists in 1967 and which has existed for a decade or more is that having to do with the level of income being received by the food producers of this country. The hon. member for Saskatoon has just moved an amendment that is sharply critical of this government for its indecision, its procrastination and apparent intention to do nothing to adjust its milk policy so as to enable those who are engaged in milk production to remain in it and continue producing this necessary and vital commodity, not just in the short run but to make their income prospects and therefore production prospects viable and healthy in the long run. That is not being done, and that is why the amendment was moved. I hope that independent minded members on the other side will join this party in supporting that amendment.

• (12:40 p.m.)

In recent weeks there have been new developments in agriculture. The Minister of Trade and Commerce told us something of the new wheat agreement which has been arrived at during the Kennedy round talks, and we gather from the minister's statement that the range of wheat prices under the new agreement will be increased by about 21 cents per bushel. That should be cause for neither joy nor gloom, and the government's optimism should be taken with a grain of salt. An increase of 21 cents means a 10 per cent increase, but in the last three or four years farm machinery has increased by more than 10 per cent, as anybody who has bought a combine in 1964, 1965 or 1966 is aware. A 12 foot self-propelled unit which then cost $9,000 now costs $12,000 to $14,000. The new unit may have a greater work capacity, but that is not enough to justify that degree of price increase. To be realistic, the new agreement does not cover the price increases of the last few years, so we farmers are in the same relative cost-price position we occupied in

1964. The president of the Manitoba's Farmers Union said to the press yesterday that a 40 cent to 50 cent per bushel increase was needed to ease the lot of the farmers he represents.

Farmers have been dissatisfied generally with this government's agricultural policies. When the Minister of Agriculture announced the new diary policy about a month and a half ago he tried to leave the impression that there would be substantially increased federal assistance, but had no satisfactory answer to the point that I raised, that the hon. member for Wetaskiwin (Mr. Moore) repeatedly raised and that other hon. members raised, which was that it was illogical to draw artificial distinctions between surplus fluid milk and manufacturing milk. The minister says fluid milk comes under provincial jurisdiction, and that the federal government therefore ought not to be involved with support payments on fluid surplus milk. The fact is that all surplus fluid milk can be regarded as manufacturing milk and, taking the minister's own words, support for the price of manufacturing milk is a federal responsibility.

The new policy, resting on the foundation of artificial distinctions, does not help dairy farmers but aggravates problems which have grown more serious during the past several years. The Minister of Agriculture, in some of his actions and attitudes, reminds me of a jackass in a rainstorm. The jackass turns his back on the storm, hunkers up his back and takes it without doing anything about it. When the Minister of Agriculture is faced with the legitimate and organized storm of complaints of dairy farmers and spokesmen for the agricultural industry, he stands in one spot, hunkers up and refuses to say whether he will reconsider his policies. In the past I have accused the minister of revealing an attitude of indolent nonchalance toward agriculture, and I repeat that description today. The attitude of the government on agricultural commodity prices is one of indolence and nonchalance. That attitude is evident in other fields also.

Because the government, according to the throne speech, will appoint a special task force to look into agricultural problems we are to infer that we may rest easy. Yet clearly, that task force is an indication that this government has no farm policy it may call its own. There is nothing wrong with the federal and provincial ministers of agriculture and federal and provincial departmental officials meeting and formulating policy at some sort of national farm policy conference. Spokesmen for the farmers unions and the federations have been urging for the last year or two that this be done, yet the minister has not said whether he will accommodate them. The task force mentioned in the throne speech may mean a royal commission, a special ad hoc interdepartmental committee of the federal government, or a similar committee composed of personnel from provincial and federal departments. Nobody knows. In the meantime we may be sure the government will use the task force as a pretext for obtaining the maximum delay, thus avoiding concrete action.

[Mr. Schreyer.]

Why do I make this accusation? It is evident that the federal and provincial departments of agriculture have assembled most competent and professional staffs both in production and economic research and analysis. The cost-price squeeze has existed for so long that the term has become a cliché. Surely by now the high ranking officials have coordinated and marshalled all sorts of data about this cost-price squeeze, and possible approaches to ameliorate that condition. Do we, then, need some special task force to look into it?

I am suspicious that this government will use the task force to buy time as it did for example, regarding veterans pensions. I am not well versed in the functioning of that special committee on veterans pensions. I make reference to it for one specific purpose. Ever since I came here as a new federal member almost 18 months ago one of the things promised us almost from day to day, was that the Wood report was to be tabled very soon. It was to serve as a basis for the immediate adjustment of veterans pensions so as to reduce the disparity between those pensions and levels of income received by certain civil service classifications which were at parity decades ago. What has happened? Today, almost 18 months later, we are still waiting for that report. Veterans pensions remain far below parity and they lose more and more purchasing power each year.

• (12:50 p.m.)

Any reasonable man can assume that at times there will be delays in submitting reports that last for a day, a week, a month, even for six months. But for a whole year? When there is such a delay in the presentation of a report which was promised us about 16 months ago and which we were then told was due any time, there is a credibility gap which cannot be closed. To put it in everyday language, who are the authorities trying to kid? They are using this report as an excuse

to buy time because they have not been able to co-ordinate their policy thinking with regard to veterans pensions.

The fact is that decades ago veterans pensions were on a par with the salaries of certain job classifications, for example. This is no longer the case and now veterans pensions are as low as 60 per cent of that wage level. Is this acceptable? Obviously these veterans are at a disadvantage today in terms of purchasing power compared with their situation 10 or 20 years ago. Such discrepancies will arise in any dynamic society, in any moving economy, and this presents a problem which governments exist to cope with. It is one of the *raisons d'être* of government but the administration opposite has not been acting effectively in this, their basic duty.

The cost of living has increased dramatically in the past two years. I know the Secretary of State for External Affairs and others who have made public comment on this subject in recent days would like Canadian citizens to believe that the rate of increase in the cost of living is lessening. Let us pause for a moment and examine the record of the government with regard to the rising cost of living syndrome. Last fall when the housewives were marching in chagrin and anger to protest the rising cost of living, the government was very accommodating and within a few days, not more than two weeks, it indicated that the whole serious subject would be referred to the joint committee of the Senate and the House of Commons on consumer credit, a committee which then reconstituted itself somewhat into a committee on consumer prices.

There was nothing wrong with that move. It gave an opportunity to interested groups to make representations, file briefs and put forward submissions. It gave opportunities to members of parliament to probe with varying degrees of effectiveness into what appeared to be the major causes of these unacceptable increases in the cost of living. After deliberating for some time the committee handed in a number of interim reports.

I do not wish to be critical of that committee; in fact I am not. Nor do I wish to praise its efforts without reservation, because in my opinion in its work there was one serious omission. Adequate reference was not made to the very core of the subject which had been referred to it, namely the cause of the increase in prices. I know some of the chief accountants for the wholesalers and general stores appeared before the committee and were able to persuade certain members—not the majority, I hope—that the prices charged by wholesalers and chain store retailers were not unreasonable because after all, profits amounted to only 1 per cent of sales. The expert witnesses who use the profit to sales ratio are calculating to mislead.

I never could find any testimony in which specific reference was made to the level of profit in proportion to equity input or initial capital investment. Is it not disturbing to realize that there was no consistent pattern of questioning to invite these spokesmen to indicate their returns on equity input? I have here an Annual Report of a firm that is wholesaler to chain stores in the grocery business. I find that after seven years of operation—in the course of those seven years—the business enjoyed a profit of around 1½ per cent of sales, which is not much out of line with the figure mentioned by some of the other firms. This will not arouse much attention and some hon. members will say that is small profit. But here is the rub. In terms of return on equity input or investment the profit comes to a 29 per cent return on equity during each of the last four years of operation. I have it in mind to submit this particular report to the consumer affairs committee to find out, more than anything else, whether it is of a mind to ignore facts and figures of this kind.

• (1:00 p.m.)

Anyone who is at all involved in business and corporate affairs knows there is such a thing as a fair return, a reasonable return, an enticing return, a lucrative return, a return high enough to induce further investment. Similarly, however, any reasonable man should be ready to concede that there is such a thing as a unconscionable return. What will we do about it? Until such time as we have a price review board in this country certain sectors of the economy, certain wielders of economic power and influence, will be able to manipulate prices without much regard for public reaction.

The ladies were angry last year, and with cause. Their anger was diverted by the announcement that their whole area of complaint was being referred, that parliament was going to study it and presumably do something. Well, we are all members of parliament here, and I would like to arouse among my fellow members at least a trace of dissatisfaction with the work done so far and with the recommendations made by the committee on consumer affairs.

We welcome the recommendation that a department of consumer affairs be appointed. Quite candidly I must say I am less enthusiastic about that proposition than most of my colleagues, though I am still on the positive side in supporting it. But one point of dissatisfaction is that the new department of consumer affairs will be combined with the administration of corporate affairs. One can just imagine which will get the short shrift when the chips are down. My colleague the hon. member for Winnipeg North says it will be the elephant and mouse relationship, and I certainly do not disagree with his analogy.

I feel very much inclined to put more figures on the record with respect to this particular wholesale grocery chain store enterprise which over the past five years has been earning a return on equity input of the order of 28 per cent to 32 per cent, but it would be awkward to do so. However, I might add that during this period of time the equity itself has been substantially increased, not by additional subscriptions of new shares but simply by retained earnings from profits and all the while rather lavish dividends have been paid out—certainly on a scale high enough to have encouraged additional investment. The rub, though, was that these shares were not available to the public. At least they have not been available up until recently.

Putting it as an hypothesis, if in 1960 someone had bought 100 shares in this wholesale chain store enterprise he would have had to put up $200, the price then being $2 per share. In each subsequent year he would have received dividends as follows: in 1961, $5; in 1962, $7.50; in 1963, $7.50; in 1964, $10; in 1965, $12.50; in 1966, $18 and in 1967, $26, a total of $86.50 in dividends over six years on a capital input of $200. But that is only a small part of this story. The balance sheet reads like a fairy tale.

In addition to the dividend aspect there is of course the increase in shareholder equity simply because of profits kept as retained earnings and then being incorporated into assets held to the account of the company. I might made a correction at this point to say that the shares were put on the stock market two years ago, and the value of those 100 shares, bought for $200 in 1960, has fluctuated last year between $1,700 and $3,000. This shows the net worth and capital gains aspect of the question.

The more one looks at this kind of story the more one becomes convinced in respect to capital gains taxes, etc., that the Carter commission may well turn out to be one of the greatest and most worth-while royal commissions ever established in this country. There may be some aspects of the Carter commission report that will be unacceptable to the majority of the members of the house, but certainly no one will disagree that there are many features of it which are praiseworthy almost to the extreme, so praiseworthy that even Liberal candidates are calling for its implementation without qualification. I have here a Liberal by-election pamphlet—

Mr. Speaker: Order.

Mr. Schreyer: May I call it one o'clock?

Mr. Speaker: I have to advise the hon. member that it is after one o'clock, and also that his time has expired.

Mr. Schreyer: May I have the indulgence of the house for a minute in order to conclude?

Mr. Speaker: The hon. member is asking for additional time now. Is this agreed?

Some hon. Members: One minute.

Mr. Speaker: The consensus of the house is that the hon. member should have another 60 seconds.

Mr. Schreyer: Unfortunately I will not be able to deal with the housing crisis, which is another pressing problem that I referred to earlier in the debate, and will not be able to deal with certain aspects of Indian affairs and the Indian Act. However, I would like to conclude by saying that with respect to these unrelenting problems the government is portraying an attitude of cynicism; that it is using all kinds of methods and pretexts to stall or delay. There is the danger that our festive mood may distract us from our real work. At this time, centennial year or no, people on fixed low incomes, wage earners, and in particular farmers have a reason to expect concrete action to ward off farm bankruptcy and to erase urban slum housing even though this be the year of our nation's one hundredth birthday celebrations.

Mr. Speaker: It being after one o'clock I do now leave the chair.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the

last speaker before the noon adjournment concluded his remarks by expressing regret that time did not permit him to cover a wider range of the subject matters raised in the speech from the throne. I find myself in somewhat the same predicament after reviewing the subjects in the speech from the throne which have been referred to during the past week of debate. Generally speaking, however, speeches have been related to two items, the need for further parliamentary reform, and reform of our constitution.

• (2:40 p.m.)

Speeches in the latter category regarding the constitution have ranged all the way from the very thoughtful presentation of the hon. member for Peace River (Mr. Baldwin) through to what I thought was the firebrand oratory of the hon. member for Yukon (Mr. Nielsen). I was really pleased when the hon. member for Yukon spoke the other evening after his prolonged absence from the house. I noted that he had not lost his willingness to malign the Prime Minister (Mr. Pearson) or to distort historical facts. I prepared a rather lengthy rebuttal to the remarks of the hon. member for Yukon but since he spoke my attention has been focused rather on the turmoil which exists in the New Democratic party on this subject. I was not concerned the other evening when they presented a subamendment to the effect that there were two nations in Canada. They include this theory in their constitution which they have distributed in the province of Quebec for some years. They easily get around the question of the two-nation theory by emphasizing that of course they recognize the existence of two nations in Canada but only in the cultural sense and not in the political sense.

From the result of the vote the other evening it is obvious that no one took the subamendment too seriously because everyone knew full well that within the next day or so some socialist spokesman for the New Democratic party would tour the country explaining that they really did not mean there should be two nations in this country but that they were speaking of two nations in the cultural sense. I was more concerned when I read some of the remarks of the leader of that party when he spoke over the week end at a convention in Quebec and formally announced that his party now recognizes a special status for the province of Quebec. I intend to discuss that special status in the short time available to me. I might also review the speech which I had anticipated someone would make in the next day or two after that convention. In this case it was the speech of the hon. member for Greenwood (Mr. Brewin) who quickly and efficiently placed on the record the interpretation of the New Democratic party concerning specifically what Quebec's special status is, at least as they understand it.

Mr. Schreyer: Would the hon. member permit a question? In all fairness, would he admit that the word "nation" can have a sociological connotation and a different juridical or political connotation?

Mr. Mackasey: The hon. member for Verdun is not very good at subtleties. The hon. member has just emphasized what I started to say. In that party its members find many opportunities to say one thing in Quebec and another thing in the rest of Canada. They go to Quebec and say they recognize two nations. Then they say they do not mean exactly that there are two nations but rather two nations in a cultural sense. The point is that the time has passed when the New Democratic party can go into Quebec and preach one doctrine and go to Vancouver and preach another.

Before I get too far into this subject I should like to say something about parliamentary reform. I hope no one interprets my remarks as an indication that I am against parliamentary reform. On the contrary. I think most of the rules and regulations which were introduced, particularly under the previous Speaker, have done much to speed up the deliberations of the House of Commons. This is necessary in order to get through the house the amount of legislation which is before us.

One thing, however, which has provoked me a little is that in our obsession to increase the efficiency of the committees we do so at the expense of the House of Commons. Not too long ago I was upset when the Secretary of State for External Affairs (Mr. Martin) made a very important statement on Viet Nam in the house when there were precisely 31 members present. Where were the other members? They were attending committees such as the food and drugs committee, the committee on finance, trade and economic affairs and others.

Mr. Orlikow: Where was Walter Gordon?

Mr. Mackasey: Is there someone else over there who wishes to make a speech?

Mr. Orlikow: I was asking, where was the President of the Privy Council (Mr. Gordon) when the Secretary of State for External Affairs was making that important statement?

An hon. Member: Obviously the hon. member was not there himself.

Mr. Mackasey: I have not met a thinner-skinned bunch in this house than the socialists. There must be some ways and means to protect the House of Commons. One problem which we must face in respect of the committee system is that all too frequently we grant permission for committees to sit while the house is sitting. In the final analysis this is a house of debate and unless we make certain there is a sufficient quorum in the house at all times, for matters to be debated efficiently then, as the hon. member for Winnipeg South Centre (Mr. Churchill) said, one of the basic principles of democracy will disappear, the right to stand up in the House of Commons and debate the issues of the day.

The hon. member for Yukon mentioned the two-nation theory. While he appeared to attack the N.D.P. for the two-nation theory he laid the blame directly on the shoulders of the Prime Minister. I did a little searching in the meantime to find out what noted parliamentarian or politician first discussed two nations in a cultural sense. Not too long ago—100 years—Sir John A. Macdonald said this about our French speaking Canadians:

> Treat them as a nation and they will act as a free people do—generously. Call them a faction and they become factious.

Lord Durham stated in his writings that he found "two nations warring in the bosom of a single state." Eugene Forsey, writing in the Canadian Journal of Economics and Political Science, said:

> Canada is both two nations and one: two nations in the ethnic, cultural, sociological sense: one nation in the political, legal, constitutional sense.

Perhaps the greatest authority of all is the right hon. Leader of the Opposition (Mr. Diefenbaker) who on July 2, 1963, as found on page 2442 of *Hansard*, said:

> When confederation took place a new nation was created in the partnership of two basic nationalities.

This is the reason I could not become too upset the other evening when the New Democratic party, in an attempt to infiltrate the province of Quebec, advanced the two-nations concept as a subamendment. I knew it would be only a matter of time before one of them would get up and say that they are emphasizing culture, as the hon. member for Springfield did a few moments ago.

I am more interested in the special status the leader the New Democratic party seeks for the province of Quebec. I am a resident of the province of Quebec. Contrary to public opinion there are more English speaking Quebeckers at the moment than there are people in some of the other provinces. There are over a million of us. Quebec does not need special status. If the leader of the N.D.P. had said that Quebec is different from the other provinces I would endorse such a statement. Certainly it is different. It is the homeland of one of the founding races of this country. It is populated by the great majority of French speaking Canadians. It is different culturally, linguistically and in many other ways. Its civil code is different.

• (2:50 p.m.)

But Quebec does not need special status in 1967 or in 1970 to attain its full maturity under confederation. What it needs is respect for the constitution by other governments and respect for the constitution could have very well been exercised by the New Democratic party during the 16 years that it formed the government in Saskatchewan. What did that party do in those years for the French speaking minority? It did nothing. It was a disgrace then and it is still a disgrace. When the leader of the New Democratic party comes to the province of Quebec, as he did last week end, and says that Quebec must have a special status in this country so as to survive, he is fooling no one. In this day of modern communications, to preach one message in Quebec and another in Vancouver will have its repercussions, as the socialists will find out.

Of course I was not invited to that particular gathering of would-be socialists, and I had to rely on the Montreal *Star* of Monday, May 15, to find out what happened there. According to this newspaper the leader of the New Democratic party said:

> —the position of the N.D.P. "is that the sensible and long-range solution lies in the constitutional recognition of the fact that Quebec is not a province like the other provinces and that its cultural needs and objectives cannot be fulfilled, except that they are met by special arrangements."

What are the special arrangements which the leader of the N.D.P. proposes for Quebec? He did not outline them. All he did was voice platitudes. So I waited, knowing full well that within a day or two a senior spokesman of the N.D.P. would get up in the House of Commons and attempt to put on the record a

message diametrically opposed to that of his leader, so that out west the members of that party could quote *Hansard* and in Quebec they could quote the Montreal *Star*. Sure enough, the hon. member for Greenwood made just such a speech on May 15. Again I can only go by *Hansard* because I was not here to hear him. But I read his speech not once but two or three times. His words, as found on page 203 of *Hansard*, are very noble and are bound to please the most nationalistic of Canadians. He said:

> We ought to entrench in our constitution a constitutional bill of rights. We have at present a bill of rights which was passed by parliament, but its inadequacy is obvious. It does not apply to provincial legislatures, and may be repealed by parliament at any time—

This is precisely what the Prime Minister said earlier. I agree with it. It is also exactly the same message as was contained in brief of the different trade unions from the province of Quebec. However, farther on in the same column he went on to say:

> The other point to be borne in mind is whether it is wise, in our revised constitution, or necessary to allow Quebec a special status.

Note, he is beginning to doubt the wisdom of the very statement that his leader made over the week end. The headline in the newspaper to which I referred reads: "Special Status Avoids Turmoil". Then he said:

> The expression "special status" is very general, and it is necessary to be precise when dealing with it, and I propose later in my remarks to define more precisely what we in this party mean when we say we are in favour of a special status for Quebec.

I read this with anticipation. I said to myself, here is one member of the socialist party who is going to tell us what he means by a special status for the province of Quebec. Should Quebec become an associate state in a two-nation confederation? Will Quebec go one way and the rest of Canada another, meeting periodically to split the budget? I read on, anticipating the hon. member for Greenwood would explain to us what he means by special status.

Incidentally, one thing that intrigues me is that members of the New Democratic party, who never tire of quoting Sweden as an example and whose philosophy is based on a strong central government, now pretend to be the greatest exponents of decentralization. But here is what the hon. member for Greenwood had to say:

> To this end we believe that federal authority must be preserved in such fields as credit, banking, investment, monetary and fiscal policy, tariffs and transportation, to name a few only.

According to him these are the areas in which the federal authority must remain supreme. After removing all these fields from provincial jurisdiction, one assumed that he had reached the area of special status which, according to the leader of the New Democratic party, Quebec should have if Canada is to survive. Instead the hon. member for Greenwood said the following, and we hear this from a spokesman of a party which is advocating decentralization:

> We have been concerned about the gradual erosion of federal powers in the fields I mentioned which has become apparent in federal-provincial conferences over the past few years.

In other words, the hon. member for Greenwood, at the same time as his leader was making a speech in the province of Quebec advocating a special status for Quebec and increased provincial jurisdiction in these particular areas, was preparing a speech to be delivered in the House of Commons in which he bemoaned the fact that too much federal jurisdiction in the areas I have just mentioned had been transferred to the province of Quebec. Perhaps it was time that this authority be removed from Quebec and from other provinces and returned to the central government he suggested. I do not necessarily disagree with his principle. I am merely pointing out the hypocrisy of his message. He says one thing and his leader says another.

Since the hon. member for Greenwood has decided that jurisdiction in these particular fields should not be transferred to the provinces, and therefore to Quebec, I thought he perhaps meant that Quebec should assume a special status in other areas. This is what he said at page 204 of *Hansard*:

> It is desirable to have federal control in fields such as family alowances, non-contributory old age pensions and the like. There are some fields such as hospitalization and health services where the present system of provincial administration and partial federal financing works well—

So far he has not advocated one single, solitary change in the present constitution. He went on to say:

> —and where it should be retained with great advantage in transferability of benefits throughout Canada. Here also the federal contribution helps equalize the burden as between provinces.

In other words, the hon. member for Greenwood is advocating precisely what we are advocating, namely, that the have provinces help the have-not provinces. What is revolutionary about this? Realizing that he had not said anything endorsing a special

status, he went on to support his argument by saying:

—it is merely a recognition of the facts of life, namely that people with a special culture of their own are entitled to retain complete control, if they so desire, over matters intimately connected with that culture such as education.

Who has ever denied the province of Quebec control over education? If for the past 30, 40 or 100 years, Quebec chose to put emphasis on a classical education, that was the province's prerogative and privilege and nobody has tried to interfere with it. One thing that needs to be done is for parliament to define education one of these days. But that is not what the hon. member for Greenwood said. He went on to say in his dramatic way that we should recognize the rights of the provinces in the field of education. This is one field where the provinces have been and should always be supreme, but since there were no tangible suggestions in the rest of his speech I suppose the hon. member had to say something.

• (3:00 p.m.)

The hon. member was not even willing to give this to Quebec without some restriction because he goes on to say:

On the other hand, it must be recognized that it is the people in the other nine provinces who ought to be most insistent that Quebec should have a special status and that federal intervention should not be restricted to the level desired by Quebec.

How are you going to tell Quebec that it has autonomy in the field of education and a special status at the same time, but that the federal government can intervene at a level not necessarily desired by Quebec?

It is contended by the member that in fiscal, tariff, transportation, banking and credit, and investment matters the federal government must remain supreme. This is what the hon. member for Greenwood contends. The federal government must remain supreme also in the field of vocational allowances, old age pensions and the like he says. In so far as hospitalization and health services are concerned, joint participation seems to work well according to the hon. member for Greenwood and should not be altered. The only area which he concedes to the province is the area of education which it has always had.

The Minister of Energy, Mines and Resources (Mr. Pepin), who is an expert in this field and has made many speeches throughout the country on federal-provincial relations and the constitution, intervened. I should like to refer to his question which is recorded on page 205 of *Hansard*:

Mr. Speaker, if I may I should like to direct a question to the hon. member. Am I right in thinking that special status as he defines it implies no change in the present constitutional situation toward a further decentralization in favour of Quebec particularly?

Mr. Brewin: I do not think it implies any change.

Of course it does not. Knowing that his leader has come out with his two-nations concept in the province of Quebec and had advocated a special status in confederation for the province of Quebec, the hon. member for Greenwood rushes into parliament to correct what his leader has said. If the leader of the New Democratic party believes Quebec should have a special status, then let him tour the country and say so. He does not do so. I can understand the problem, and it is a serious one. He goes to Montreal on the week end and finds that the Quebec wing of the New Democratic party has adopted a resolution stating that the province of Quebec is supreme in international affairs. The province can make what agreements it wants on any level with foreign powers such as France, Belgium and perhaps even Ireland. The leader of the New Democratic party on Saturday had to rely on his troops to defeat this resolution which had been adopted by the Quebec wing.

I ask the 19 or 20 members of the gallant little band in the corner, whose philosophy do you follow, that preached by your leader in Quebec or that preached in the House of Commons by the hon. member for Greenwood? Do you accept the resolution of the Quebec wing to the effect that Quebec can make international treaties or do you accept the philosophy of your leader which denies this privilege? In other words, Mr. Speaker, the New Democrats are on the horns of a dilemma. They forget that this is 1967 and you cannot go into Quebec with one philosophy and to Vancouver with another. This practice is catching up with them and I am not sorry. They have been playing with both sides of the coin too long. Once upon a time the leader of the New Democratic party may have been able to get people to stand up in the House of Commons and refute what he said outside the House of Commons in the hope that these statements could assume equal validity across Canada. However, this cannot be done today.

There is nothing in the speech by the hon. member for Greenwood that defines what the special status for Quebec is to be. I suggest to

the members of the New Democratic party that the unity of Canada is too sacred to be subjected to party politics. You have to be consistent. If you believe, and I do not, that Quebec needs a special status to remain in confederation, then say so in the house as well as outside the house. Let the leader of the New Democratic party take advantage of this debate or some other occasion to get up in the house and state what is to be the special status for the province of Quebec. French speaking Canadians do not want to be isolated from the mainstream of Canada. They do not have to be. They have something to offer and they have offered it. This is manifest to anyone who takes the trouble to observe. Their contribution to this country has been as great as that of the English speaking people of this country. They have supplied not only a prime minister and a governor general but the leader of the army and the head of the Supreme Court of Canada. Leaders in the fields of culture and science are found in great numbers amongst the French speaking people. They do not need a special status to contribute to this nation, only an opportunity and a climate devoid of intolerance and prejudice.

The province of Quebec has complete control of the field of education as well as other areas outlined in the constitution. All Quebec wants and deserves is respect for the constitution as it now exists. The only sensible suggestion which has come out of the House of Commons in relation to this whole problem has been the one made by the Prime Minister (Mr. Pearson) the other evening and also on several occasions by the hon. member for Peace River (Mr. Baldwin). What we need to do in this house is to thresh out a bill of rights for this country, without denying the one in existence. It was a milestone in the history of Canada when the Leader of the Opposition (Mr. Diefenbaker) instituted a Bill of Rights for this country. It is one of which we should be proud and it is above partisanship. However, we want to know what provincial rights and municipal rights are, not merely the rights of individuals.

When the Prime Minister stated provincial leaders should meet later this year to define our objectives before we find a way to amend the constitution, or to add to it or remove the redundant sections, he was talking common sense. Newspapers close to the scene such as the Montreal *Star* know this. It is an English language newspaper in the heart of French Canada, one that knows the problems of the French Canadians and the English speaking minority.

The Montreal *Star* is a newspaper which has always been responsible when discussing the problems of the constitution and the need for changes in it. In an editorial dated Saturday, May 13, 1967, this newspaper states that the Prime Minister suggested a most sensible and pragmatic way to approach the very complex problem of confederation. The editorial continues:

> The Prime Minister is, to begin with at any rate, against the formal, committee type conference which leads only to a public display of individual political postures. He will resist any "constitutional leap in the dark."
>
> But he offered what seems to us a highly sensitive first step which could be taken by all without impinging on the particular positions of any. Mr. Pearson hoped the first move in the constitutional field could be an agreement by all the premiers on a common bill of rights. Such provincial bills would be based on the existing federal bill which will always be, as Mr. Pearson noted gracefully, associated with the name of Mr. Diefenbaker. Then he continued:
>
> "Surely before we can seriously hope to agree on structural changes, we should endeavour to agree, federally and provincially, on a statement of common values and on a declaration of our basic individual and collective rights as Canadians."

The first positive step that should come out of that conference, Mr. Speaker, is to make the district of Ottawa truly representative of the two founding races of this country. Politician after politician, in this house and outside, condemns the potholes in Ottawa. This is not what we should condemn. We should condemn the unilingual aspect of this area. We should make the Ottawa district truly representative of the two founding races of this country. If we cannot come to that conclusion as a result of one of these conferences, then how in God's holy name are we going to agree on changing the constitution or any part of it? This is a test of good will.

Mr. Deputy Speaker: Order. I must advise the hon. member that the time allotted to him has expired.

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

Mr. Deputy Speaker: The time allotted to the hon. gentleman has expired. The hon. member for Lac-Saint-Jean.

Mr. Knowles: I only wanted to ask about Walter Gordon.

Mr. Deputy Speaker: Order, please. The hon. member for Lac-Saint-Jean.

• (3:10 p.m.)

[*Translation*]

Mr. Alcide Simard (Lac-Saint-Jean): Mr. Speaker, I shall not sound a discordant note in this general harmony, and I shall maintain the tradition of this house in congratulating the mover of the address in reply to the speech from the throne (Mr. Jamieson) and the seconder (Mr. Côté).

If my information is correct, Mr. Speaker, I am told that the mover of the address in reply to the speech from the throne has made his maiden speech in this house. In this case, I can tell him that his first try proved to be a master stroke, and I hope that he will make many speeches like this one, so that I myself may benefit from this lesson in eloquence.

Now Mr. Speaker, if I may, I shall comment some of the items contained in the speech from the throne and I will quote word for word:

> Our country was not founded in 1867. It is far more deeply rooted in time than that. But, one hundred years ago, our predecessors—men of many races, creeds and tongues—embarked upon a great exercise in statecraft of which we, today, are the trustees. They laid the foundations. They anchored them in a fundamental sense of unity that generations of conflict had taught was vital to the common weal. With this realization they erected a structure of government for the freedom, welfare, and prosperity of all who might come in time to inhabit this land. They built according to a federal plan because they knew that unity, with cultural and regional diversity could be harnessed to a positive and enriching role in no other way.

And further on.

> The path of confederation has been beset with great difficulties—some natural, some inevitable and some of our own making.

I gather, Mr. Speaker, that it was those two items that the leader of the Ralliement Créditiste (Mr. Caouette) wished to comment especially in his speech of May 11 last in this house. I will quote word for word the following, which appears on page 76 of the May 11 *Hansard*:

> Mr. Speaker, everyone knows that I am a French-speaking Canadian and that I fight for the recognition of French Canadians throughout Canada. It is indeed a duty for me to say that I have had a friendly reception in all those provinces; I might even say that I have had a warmer welcome in the western universities than in the university of Montreal, in my own provinces of Quebec.

That is saying a good deal, Mr. Speaker.

> And these people out west, these young students, these farmers or whoever they are, are most hospitable. We are welcomed like kings in those provinces. Even if these young people do not speak our language, they are eager to welcome us, to hear our problems, to learn to know us, to know what we want and who we are. It was most interesting to meet these people, irrespective of political affiliations, as Canadians from a province other than theirs.

Mr. Speaker, although some of our opponents make unkind remarks about the leader of the Ralliement Créditiste, it must be recognized that he does make allowances and gives everyone his due. In this connection, I take it upon myself to repeat a sentence spoken by our leader, and I quote:

• (3:20 p.m.)

> —and I would even say that I was made more welcome by the western universities than by the university of Montreal which is in my own province of Quebec.

Just to corroborate that statement and that tribute, I will relate an incident I witnessed, as did several of my colleagues, when the government invited us to visit Expo and Habitat on April 8 last.

Frankly, Mr. Speaker, as a French-speaking Canadian, I was far from edified. If the house will allow me, I will describe the experience several members and senators, accompanied by their wives, went through.

We were greeted warmly at Expo, particularly by the commissioner general who, when we set foot on the grounds, shook hands with us and smiled broadly at us. But I guess it was only to make us accept meekly what was to come. In fact, when the time came for Expo's commissioner general to introduce the hon. members and senators to those present, he found nothing better than to make his whole speech in English from beginning to end. I am not holding it against my English friends who were made so welcome. But we, the French Canadians, were ignored to such an extent that, while the commissioner general was speaking, my wife who was with me on that occasion asked me: Does that man not speak French? I will not repeat the reflection I made to my wife, because I do want to respect this house of parliament, but let it be known that my words were not in praise of the commissioner general.

Mr. Speaker, I want to point out to my colleagues that this happened last April 8, in the very heart of the province of Quebec, in the second French city of the world, Montreal, which, this year, plays host to some 60 exhibiting countries on Terre des Hommes. That treatment we cannot be proud of. As a snub, as a rebuff, as a stinging slap in the face of this country's French Canadians, it could not have been better. For my part, I

call that the unkindest cut of all. Fortunately there are contrasts which are a little more encouraging and comforting.

During the hockey finals between the Montreal Canadiens and the Toronto Maple Leafs—we noted this fact right here and, as I said, I am not criticizing anyone, even though several members stayed away from the house to watch television; I readily admit that I cheated myself—I noticed, along with several other members, I am sure, that before every game, both in Toronto and in Montreal, the national anthem "O Canada" was played.

Last Sunday, Mr. Speaker, I attended the two consecutive ceremonies on parliament hill in honour of the fathers of confederation.

And after each of those ceremonies, the national anthem "O Canada" was sung in English and in French.

I think that everything is completely changed. Those who were charged not so long ago with fanatical intolerance are now giving us a good lesson of patriotism and national pride. And some people will then talk of separatism, independentism; some will bellow to everyone that the last hundred years of Canadian confederation have been one hundred years of injustice for French Canadians, and all sorts of slogans like that. To these people who fish in troubled waters, I will suggest that respect is not commanded but imposed.

Mr. Speaker, I recollect the kind exhortations that the gracious Queen of England and of all commonwealth countries made to us on her last trip to Canada. After having suggested and urged that the two great nations making up this country, which have inherited the most refined of western civilizations whose influence has been felt by almost all the peoples in the world, work towards unity and mutual understanding, she summed up her thoughts as follows. Listen well, my dear colleagues; I hope this exhortation by the Queen of England will remain deeply imprinted in your minds:

Our patriotism must never lead us to forget the patriotism of others.

That is the challenge presented to us by the next hundred years of our Canadian confederation. This challenge we can and will meet.

• (3:30 p.m.)

Now, I shall quote another part of the speech from the throne, which I shall comment briefly:

In 1867—

That was a hundred years ago.

—it was possible to think of the public responsibility primarily in terms of state responsibility. The new challenges, which we must and will meet, require the involvement of the whole society and the effort of all our people. In this time of fast-changing dimensions, the central concern of Canadian society must be the well-being of each individual, so that, regardless of his place or station of birth, he will have an equal chance to realize his full potential in the economic, social, political and cultural sense. A country is a home; it must be built and furnished for the good life of its people.

Do you not think that is beautiful?

With our forefathers, the fight was against the immense odds of nature on our half of this continent.

That is the heritage our forefathers have passed on to us so that we may live better.

Today, the main struggle is against social injustice, against cultural mediocrity, against spiritual stagnation and against all forms of intolerance.

Mr. Speaker, at this point of my remarks, I shall try mainly to emphasize the economic value of the individual, of the Canadian citizen. The first part of the Canadian Bill of Rights reads as follows:

—it is recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely,

(a) the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law;

(b) the right of the individual to equality before the law and the protection of the law;

(c) freedom of religion;

(d) freedom of speech;

(e) freedom of assembly and association; and

(f) freedom of the press.

Mr. Speaker, in 1960, when the Conservative party was in power, two Liberal members at least asked for the addition of the economic rights and freedoms to those mentioned above. The intervention, at that time, of the hon. member who is now a minister in this cabinet, appears in *Hansard* of July 5, 1960. I quote:

Yes, political freedoms are referred to in this bill, but it is not as a result giving to the citizen a greater security of enjoyment than what is now provided for in the law. Our legal liberties are partly mentioned but not our economic liberties, except for section 2 (a) referring to property. There is no mention nor is there any declaration of the conviction that must stand behind even these newly conceived rights. It may be that it is difficult to put into a charter like this what we mean by economic rights; but at a time when society is evolving and when the poltical philosophy of every party in this house subscribes to the view of full employment, is it unfair or extravagant to suggest in this twentieth century

that we have the right to place alongside our political freedoms, with no less effect, those rights that affect the economic well-being of the citizen?

Then further he goes on to say:

I say that a bill of rights is not complete that does not take into account these economic rights. Nor does this bill deal with liberty in what one might call its human rights or egalitarian sense; such things as fair employment practice laws, fair accommodation laws, equal pay for women laws—

He did not even forget the women.

—all laws which emancipate women, the right to election, the right to medical care, the right to disability pensions, and so on. Are we to say that these are not rights? Are we to say that in the objectives we have placed for ourselves we are not to regard these as legitimate aspirations?

Mr. Speaker, in 1960 another Liberal member corroborated the statement and the stand taken by his colleague. I quote:

Furthermore, the Criminal Code provides for arrest for failure to provide of any head of family who does not meet that obligation. If it is true that, for any obligation which is placed on the shoulders of a citizen, the state has a duty towards him, if it is true that the legislator imposed upon the Canadian citizen that obligation to feed and maintain his family, I think that it is only fair and legitimate that the same legislator should give to that man the means to fulfil that obligation. I submit that a bill of rights that does not take into account these economic rights is not complete at all.

The two Liberal members were then criticizing the introduction of the Canadian Bill of Rights by the Conservatives.

Those claims are based on section 22 of the Universal Declaration of Human Rights and can be summed up so:

Everyone has the right to life, liberty and security of person, and enjoyment of property.

Those are rights the Social Credit party wants for every single Canadian citizen. Here is a declaration of principle as stated by the Canadian Social Credit Association:

Social Credit firmly believes that the individual is the most important factor in organized society. Because he is a divinely created being with spiritual, mental and physical needs and potentialities, he has inalienable rights which must be respected and preserved.

Mr. Speaker, if I may, I will now add a few comments.

What is Canada? Canada is a country which comprises mainly—let this be emphasized—20,400,000 human beings, 4,800,000 families and 400,000 corporations.

The 4,800,000 families of one or more persons live in the 4,800,000 housing units or castles; in addition, there are slums which one can see, when visiting our country, Canada.

Tremendous prosperity, inhuman distribution. Let us correct the situation right now, instead of losing time blaming the persons responsible, instead of looking for guilty parties, for wrong-doers. Let us suddenly become benefactors of our own humanity in Canada.

Each of the 265 Canadian members of parliament was elected by the people who live in each of Canada's ridings. The companies do not vote. Therefore, the companies do not elect the members of parliament. Why be afraid of the companies once we are elected?

The companies are only institutions made up of groups of human beings, but the companies themselves do not exist, are not alive, do not vote. They are the instruments of production or administration of the material, intellectual or spiritual goods and services which meet the needs of the people.

There are in Canada 265 members of parliament and 26 ministers, of whom only one is Minister of Finance. If Canada's prosperity depends on all the people and all the companies of Canada, the distribution of that prosperity rests mainly with the Minister of Finance, the 25 ministers and the 265 members of parliament.

If production is abundant in 1967, there is no reason why distribution in 1967 should be a failure and a disaster for the great majority of the population. What is produced in 1967 should be distributed that year.

Production takes place within our present monetary, economic and political systems. Distribution must therefore be properly done within the framework of the same monetary, economic and political systems.

There is no need for a new constitution, new political parties, another election, new departments or new instruments of production or administration.

What is lacking is a simple pressure adjustment in the money circulation, in the present capitalist system of Canada—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but the time allotted to him has expired.

• (3:40 p.m.)

[*English*]

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, taking part in the debate in reply to the speech from the throne on our hundredth anniversary imposes a requirement on every member to review the last 100 years of the

history of this country and to try to project the lessons of those years into the future problems facing Canadians. As a result of my consideration of this matter I have decided to make my centennial remarks on the subject of three choices for Canada.

Before I embark on a discussion of these three alternative courses of economic policy for Canada I want to preface my remarks by saying that as one reads the debates of 100 years ago it is amazing to find the similarity to the discussion we hear in this debate today. Today I had the privilege of listening to a Liberal member from the great city of Montreal, representing the constituency of Verdun, who was taking issue with the remarks made by an N.D.P. member from Toronto in the house the other day. Just now we have listened to a member from rural Quebec outlining some of the problems he sees. The remarks made today by these distinguished members of the House of Commons can all be duplicated in the debates of 100 years ago. Instead of the term "special status for Quebec", in those days members used the term "co-ordinate sovereignty". It is the same thing, I suppose, as the phrase used by the members of the N.D.P., and I would expect that 100 years from now it is conceivable that the debate at that time will have a new phrase but the subject will be the same.

Having said that I want to move on to the question of what were some of the issues that forced our forebears 100 years ago to accept the concept of a federal system of government in this great sprawling country. Certainly the need for defence against the victorious armies of the northern states was paramount in their minds. Certainly the depression in what we now call the Atlantic provinces was a great spur to the delegates from that area to accept another form of government. Above all, I would think that the political stalemate in the two Canadas we now call Quebec and Ontario was a reason for men with widely divergent views to come to a common conclusion.

In our review of the debates of 100 years ago we are lucky now to have available to us a history written by Canadians. To me personally it was always almost an intolerable insult that Canadians never had an authentic source of their history to which they could refer. We have been forced over the last 60-odd years to use an English history, the Cambridge History of Canada, for the authentic documentation of our story, but as part of the centennial observations the government of which I was a member had, I believe, the foresight to ask our historians in Canada to prepare for the first time some form of authentic Canadian history written by Canadians. This centenary series is now being published. It will consist of 17 volumes and I expect they will all be published this year.

I am going to ask the permission of the house to include the list of these volumes in my speech as part of the written record of this second debate dealing with confederation. I would like to take the time to read just a few of the names, but suffice it to say that the Canadian centenary series is headed by Dr. Morton, the executive editor, who was professor of history at the University of Manitoba. Dr. Creighton from Toronto is the associate editor. These two men correlated the work of all the specialists on the various segments of our history.

The volume I hold in my hand is volume No. 12, written by Dr. Morton on the subject of confederation. It deals with the years 1857 to 1873, a 16-year period. It is not written in a light reading form. It is a straightforward account of what happened. I think that every member of parliament now and for many years to come should have this 17-volume history of his country in his library at home and possibly in his library in his office. Certainly every school teacher who has been given the responsibility of teaching the history of his country should have these volumes available for reference. I personally, and I hope on behalf of all Canadians, want to thank these distinguished historians for giving their time, almost for nothing, to provide us for the first time with an authentic history of our country written by Canadians.

Rather than read all their names and the subjects they dealt with I wonder, Mr. Speaker, whether I could have the permission of the house to have a list of these authors and their subjects incorporated as part of my address at this point in my speech.

The Acting Speaker (Mr. Richard): Has the hon. member permission to have this list included as part of his speech?

Some hon. Members: Agreed.

[*Editor's note: The list referred to above is as follows:*]

The Canadian Centenary Series
A History of Canada
W. L. Morton, Executive Editor
D. G. Creighton, Advisory Editor

1. Tryggvi J. Oleson "The North" to 1632
2. Marcel Trudel "New France" 1524-1662

3. W. J. Eccles "New France" 1663-1701
4. Jean Blain "New France" 1702-1743
5. G. F. G. Stanley "New France" 1744-1760
6. Hilda Neatby "Quebec" 1760-1791
7. Gerald M. Craig "Upper Canada" 1784-1841
8. Fernand Ouellet "Lower Canada" 1792-1841
9. W. S. MacNutt "The Atlantic Provinces" 1712-1857
10. J. M. S. Careless "Canada" 1841-1857
11. E. E. Rich "The North" 1670-1857
12. W. L. Morton "Confederation" 1857-1873
13. P. B. Waite "Canada" 1874-1896
14. G. R. Cook "Canada" 1897-1921
15. F. W. Gibson "Canada" 1922-1939
16. Morris Zaslow "The North" 1870-1965
17. D. G. Creighton "Canada" 1939-1967.

Mr. Hamilton: Coming to my subject, three choices for Canada, I wish to say that Canada today is a far different country from what it was in 1867. We have learned a great deal in the last century not only about our own geography and our resources but about the technology of government. For instance, with our modern knowledge of monetary and fiscal policies it is thought that never again will the countries of the industrial world have to endure great depressions such as those that were characteristic of our economy in the last century. This knowledge must be utilized not only by the members of the federal parliament but by all legislatures in the world to make certain that the growth rate of our countries can be maintained at a pace that balances full employment with the best possible stabilized price structure. It is on this basis that one can, as a parliamentarian, now set oneself clearly defined targets and hope to achieve them.

If one examines the growth rate of our great neighbouring country to the south in the last 100 years and particularly notices the last few years one finds that it has tended to have an annual growth rate of about 4 per cent per year. Then if one examines our own growth rate since 1961 and even earlier and works out an average, it is very clear that economically at this moment in our history we should be setting ourselves a target which past experience shows we can achieve to get maximum employment and stabilized prices at the same time.

• (3:50 p.m.)

I want to suggest as this target, which I have arrived at with great timidity in trying to find something that is practical, that we as the Canadian legislative group responsible for the economic health of our country should this year on our one hundredth birthday set an average growth rate of 6 per cent per year. If we can maintain our growth rate between 5 per cent and 7 per cent over the next two or three decades then Canadians will know that in comparison with the United States growth rate, which I think will average about 4 per cent based on past experience, on a per capita basis we will be equal in wealth to our neighbours to the south. I think an average of 6 per cent is a reasonable, practical and possible rate to achieve. This is an objective we can very well set ourselves and we can have confidence in our ability to reach this target.

[The Acting Speaker (Mr. Richard).]

If we have the confidence we have the resources. The inventory of our resources is much clearer now than it was ten years ago. We certainly have the energy, and the inventory of potential energy resources is much clearer than ten years ago. We also have some knowledge of our water resources and our basic resources both renewable and non-renewable. With this energy, water and resources there is no reason we cannot maintain a growth rate average of 6 per cent which will make us on a per capita basis the wealthiest nation in the world in the next quarter century. Surely that should be our target.

It is passing strange that with the Canadian characteristic of lack of confidence in ourselves we have to learn from the United States that all these things are possible. We have to learn this from reports such as the Paley report of 1952 and the Landsberg report of 1963. With our resources, energy and water and the targets I have mentioned we have the potential to become the most wealthy nation in the world. That is the key of my message for 1967. If my colleague from Queens, Prince Edward Island is correct, that no one today will pay any attention to what I say, I hope that 100 years from now those people who read the record of what has been said during this debate on the anniversary of our first century will realize that these remarks have been vindicated.

To achieve this growth rate we have to make one major decision. We must decide which of three economic courses to follow. Let me outline these courses in a succinct way. We may choose the course of continentalism, we can go back to the old traditional policies of restrictive nationalism, or we can choose the course of expansionist nationalism. Those are the three courses.

Continentalism is a phrase used to describe the conviction held by many Canadians over the last 100 years that it is the ultimate destiny of Canada to become part of an economic union with the United States and eventually part of a political union. Great Canadians have held this view and sincere Canadians hold this view today, with the same sincerity

I trust as those who held it in the past. One of the greatest Canadians ever to grace this Canadian assembly, Sir Wilfrid Laurier, all through his life as a young radical, as a growing power in the political world, and finally as a senior statesman held the view that the ultimate destiny of our country was some form of union with the United States. Only once or twice in his political career when he was angry with the United States about one or two things did he ever veer from this view.

This view is held by many people today in the Liberal party, as was demonstrated last September in Ottawa at the policy convention. At that great policy convention the majority of Liberal delegates indicated with full sincerity that they were in favour of a commercial union with the United States. This view is held sincerely by many people. I do not know that all people in Canada want to accept it, but I know there is no question about the feelings of those of us in this part of the house who call ourselves Progressive Conservatives.

The second choice, restrictive nationalism, has been the traditional policy of both Liberals and Conservatives for the last 80 years. This is the policy under which we try to build walls around our country to protect our workers and our business elements and to make sure that the level of living in this country is reasonably fair to all segments. It was in this traditional policy of restrictive nationalism that we built our industry, but we now know it has become obsolete and out of date over the last quarter of a century.

At the present time this type of policy is followed intensively by one of the Toronto members on the government side, whom I admire for his sincerity. I suppose there are many members in this place who support him. The use of the phrase "restrictive nationalism" may be argued, but generally the feeling is the same, that the people who hold to the choice of restrictive protection are accurately described as restrictive nationalists. They follow this course for good motives. They do not want to see Canada drifting because of a lack of action into an economic part of the United States and eventually a political part of that country. Those of us who are nationalists can admire those people in all parties who support restrictive nationalism because they do so for a good purpose.

There is a third choice, and that choice is expansionist nationalism. It does not depend just on flag waving or on drifting along and letting things happen. It depends on a government which believes there is a place on the north half on this continent for a country that is peculiarly our own. The word which describes that kind of a government is "dynamic". Such a government must meet the pressures of modern corporate capitalism. This is universal, not just peculiar to one country or one continent. It exists all over the world as a type of economic organization which sees no boundary lines and pays no attention to morals or national aspirations.

In a system which produces so much wealth what are we as Canadians to do? Some would turn back the clock and try to deny these benefits to our people. Others want to succumb to them and say that if we were all to become the same all over the world this would be an end in itself worthy to be desired. There are others who say, let us make use of the larger producing capacities of this system and yet, because we are the sovereign people in this parliament, live up to moral principles by developing in a moral way those things to satisfy all forms of basic need of life, and above all to serve the interests of the group.

The group to which I refer is made up of those who call themselves Canadians. There is a place in mankind's struggle for a better and better life for the group. This is not a world in which everything comes down to the individual benefit. There is a place for the family, for community values and for a group such as a nation. You do not necessarily have to be bilingual or eloquent; you just need a mere consciousness that you are a group slightly different from other groups. This is not bad; it is good. It inspires people to do many things that the theory of individualism cannot inspire a person to do.

• (4:00 p.m.)

I hold the view that no culture can survive based on the theory that as long as an individual gets the most for himself the sum total is a good society. I reject that theory of complete individualism. We use it, I know, to get economic development, but at the same time I know there must exist along with that the awareness that there is a value in group loyalty and group discipline. I am a Canadian. This may be a miserable culture on the northern half of this continent but, by Jove, it is our own and I think we should work to maintain it. I do not think we should build walls between the free parts of the world and the others. I do not think we will achieve this group consciousness by sitting

here and doing nothing. I believe we can build this country only if we work dynamically, positively and constructively to do so.

Therefore there is a third choice, expansionism at home and abroad. We all know, however, that we have slipped a longways down the slippery slope of union with the United States. First of all, the natural economic structure of our two countries has tied us together so that we are like Siamese twins who cannot separate without mortal harm to one or both. We know that during the last war we joined our war efforts and this has pushed us once more into the arms of a continental economic system. It disturbs me to watch the development of my country and see a failure to realize opportunities to be positive, dynamic and expansionist in building up the country. I bleed a little for my fellow Canadians.

What are the techniques of this dynamic positive expansionism? I will not recite all of the things of the past but let me mention a few. In Canada we must have a consciousness of a development policy for our resources so that regions are deliberately built up when they fall behind. In Canada we must have a deliberate policy to help those segments of the population which do not share reasonably equally in the wealth of this nation.

As I said earlier, to achieve these ends we must use our monetary and fiscal know-how which we have accumulated over the last 15 or 20 years. That would be a speech by itself. We must realize that our trade techniques are tying us more and more to the industrial world and are making the gulf between the newly developed nations and the industrial wealthy nations greater. We deliberately, dynamically, positively and constructively must build those institutions to bridge that gulf.

I spoke on this matter on October 8, 1964, I believe. If anyone wishes to go back and read some of my proposals he will find them in that speech. We must think deliberately of how by positive means we can get more processing in Canada. I might mention an example. Last year a Canadian company wanted to bring more western gas into eastern Canada and reduce the price below the level of the United States price. This would have meant more industry, lower costs in Canada and more businesses without any artificial restriction. This is the reason I took the stand I did in this place at that time. I thank the government for changing its mind once the facts were made known.

[Mr. Hamilton.]

I deplore the situation when I see the provinces of Newfoundland and Quebec left alone in respect of the great power resources of the Churchill river which formerly was called the Hamilton river. We should have helped those two provinces. The situation is the same as that in respect of the power on the Nelson river in British Columbia and the Yukon Territory. This government, as a positive dynamic undertaking, should have built a national power grid so that those provinces which own this power could have pumped it east and west before they put in a north and south extension in order to give Canadians first chance at this power on an economic basis and in order to provide greater availability of markets to these provinces or the private companies, whoever owns the power. I do not care whether the resources are owned by a province or by a private company. If it is Canadian, we should back it in a positive, constructive way to get our costs lowered.

As I go through all the various things I want to say here my enthusiasm for Canada rises. Last April Japan made a proposal that Australia, Japan, the United States and Canada join to set common growth rates so that we could meet problems in the same way the common market meets them. There has been no response from either the United States or Canadian governments. These are the failures which depress me. There is so much on the optimistic side, however, that I keep on fighting.

We must have devices in Canada to encourage Canadians on a voluntary basis to take an interest in equity investment. I am not thinking merely of investment at the stabilized stage of industry where we would get 5 per cent on our money. I have in mind the exploration and development stage. This is where the wealth is developed and where the ownership and control are. This is coming, but there is no help from the government. We started a trade promotion drive in 1960. Our exports were $4 billion then. They have risen to $11 billion just because the government gave the leadership. I need not go into the details of that operation, it is well known. I know Canadians have the resources and the know-how. If they have the will, they can do it. If you speak to me in this centennial year about uniting Canadians, I say we can unite Canadians through equality of opportunity and with the knowledge and confidence that we are going to be as wealthy a nation as any industrialized country.

Finally, we must make another decision separate from the economic decision involving the three courses I have outlined of continentalism, restrictive nationalism and expansionist nationalism. I think most of us know where I stand on the economic course. We have, however, another decision which is just as important. I see a trend toward a policy of handouts. I know that 25 per cent of Canadian people live at levels below that which we can tolerate. I know that one and a half billion people around the world live at levels below that which we can tolerate. But there is another way to take action than by handouts. There are programs of self-help. We introduced one when we were the government. It is called ARDA. In this program surveys could be made and knowledge furnished to any group of people who wished that knowledge. Not only would we drain the places which need draining and dam the waters which need damming but we also would get the local people—farmers, businessmen and professional people—working together to raise the income of marginal areas, not just to some miserable level of $3,500 but to a level equal to that of any other family group in the country.

As I travel around world and hear the phrases "ugly Russian" and "ugly American" I know I do not want to hear my country called "ugly Canada". We must promote these self-help programs to give respect to ourselves and those we help. I cannot speak for 100 years ahead, but I hope that in the next century Canadians will back the course of self-help rather than just try to appease their conscience by handouts.

• (4:10 p.m.)

Mr. D. R. Tolmie (Welland): Mr. Speaker, I join other hon. members in congratulating the mover and seconder of the address in reply to the speech from the throne. I thought both hon. members did an excellent job.

In my opinion the most crucial problem besetting parliament today is the need for reform. I know this is a most hackneyed subject and I am almost reluctant to bring it up again. However, I feel that if by repetition we emphasize the importance of this subject our remarks will be justified. We have a grandiose and imaginative program of legislation before us, but there is one point which should be made. We will not be able to enact this legislation quickly and efficiently unless we modernize our parliamentary machinery. What has amazed me since January, 1966 is the amount of legislation we have been able to enact. This simply means that we could have done more had our procedures been improved. What we have done has been at the expense of long hours and a great toll upon the members of the house.

We have had a spectacular record of achievement. I do not say this in a partisan manner. I believe that all members of the house, even though some may do so grudgingly, give the government credit for its achievements. I say this because if we can eliminate some of the antique procedures which now harass the house we will be able to be much more productive.

What about the future? In the throne speech we are faced with a veritable avalanche of legislation designed to cater to the interests of urban dwellers, interests in the field of domestic relations and in the field of criminal law. I believe this to be good. The veering away from social welfare programs is good. We are now directing our attention to social reform programs. But again there is a catch. If we wish to implement these programs, then not only do we have to tinker and tamper with the machinery of government but to take it apart and reassemble it.

My thesis is very simple. I believe that parliamentary reform should have priority. It should be the bedrock upon which our legislative house is constructed. We have taken a good step in setting up a committee on parliamentary procedure, and I earnestly hope that the committee will undertake its task most seriously. It will delve into the mechanics of parliamentary procedure and into the underlying concept of parliament itself. One might properly ask: If parliamentary procedure is so important then why do we rush so impetuously? The answer is fairly simple. Lurking in the background for years has been a desire for some reform. However, in the past few years, in view of government intervention, social reform and social welfare programs, and problems respecting management and labour relations which confront us, we have needed more legislation. In this very complex society we are besieged by requests for remedial legislation from all types of groups. We have more work, and we are not able to cope with it properly.

There is one very strong factor militating against parliamentary reform and that is the strong clash of opinion as to the role of parliament itself. Some people believe that this chamber should basically be a debating forum. They feel there should be an almost unbridled expression of opinion and that any

step to curtail this will impair the very essence of democracy. This is understandable. I would certainly not want to see any procedures introduced which would in any way stop vigorous and fiery debate or which would make parliament subservient to the whims of the government. However, I believe there is a somewhat pernicious preoccupation with this role of parliament while insufficient attention is paid to the other role of parliament, its duty to transact the country's business. I think we must face the fact that we are running a multibillion dollar business and that we cannot run it with the same rules as we had a hundred years ago. If we are going to translate into action the hopes, aims and aspirations of our people and do it efficiently, we have to change the rules and change them fast.

I make no apology for making certain recommendations. I know they are not original. First of all may I say it is appalling to see new members coming into this chamber without having the slightest grasp of the rules and parliamentary procedure. Most members have no penchant for procedure and no flair for it. They become discouraged and frustrated and thus cannot play a useful role in parliament. On the other hand, there are certain hon. members who have a flair for the rules. In some cases they become very familiar with them but sometimes they use them to their own advantage and to the disadvantage of the house. Therefore I think it would make good sense to train new members. I feel that before any new member takes his seat he should be compelled to listen to lectures for at least one week in which parliamentary procedure, behaviour and ethnics would be explained. I believe this is essential. I also believe we should have a condensed handbook on parliamentary rules. At present we have a large volume but it is difficult to understand and very perplexing. I think such a handbook could be written in the form of questions and answers. It should be available to all members and should contain the highlights of parliamentary procedure.

I believe that sessions should start and end at a specified time. This is necessary for good organization. We will then be able to organize the work of the committees and our own free time, as well as our debates here. But most important of all, we will be able to organize our private lives. Many hon. members realize that our long-suffering wives are harassed by the uncertainties and vicissitudes of politics, and I think it is about time we paid some attention to this aspect of parliamentary life. If we could organize our leisure time we could make our wives happy. When our wives are happy we are happy and more productive and thus can serve our country better.

I should like to speak now about votes of confidence. I submit that the present situation, if not idiotic, is completely irrational. At present, if the government introduces a bill which is voted down the government falls and we are faced with an election. Such a situation could take place if, for example, 15 or 20 government members were caught in a snowdrift. This is ludicrous. I believe that if the government has to fall this should happen by way of a formal vote of non-confidence at a certain specified time.

If we change this procedure we will eliminate a lot of petty political interplay and petty manoeuvring for advantage. Naturally the opposition would wish to catch the government off guard. So would we if we were in the opposition. But this is something we could do without. No efficient company would allow its directors to be ousted because some shareholders, even a majority of them, disagreed with one facet of their policy. They would only be asked to resign if they lost the confidence of the majority of the shareholders.

• (4:20 p.m.)

Turning to the actual conduct of the house I suggest, in the first place, that there are many things we could improve. For example, we could improve our procedure in connection with ministerial statements. They could be tabled and printed in *Hansard*. After distribution to the leaders of the opposition parties the debate could then be restricted to five minutes.

I feel that the provision for emergency debates has been much abused. My understanding of the purpose of an emergency debate is to give the opposition an opportunity to bring to the attention of the government something of the utmost national importance which would affect the general welfare of this country. This is not what happens. A member rises in the house fresh from his constituency and presents a local problem. He addresses the house before the assembled press representatives. He makes his point and then he is called the guardian of his constituency. Actually he is wasting the time of the house. Most of these motions are disallowed. I suggest, Mr. Speaker, that you should have the privilege of disallowing these motions without debate or that debate be restricted to five

minutes with one representative from each party participating.

I believe also that our question period should be completely revamped. I believe in the question period. I think it is essential that the government should be scrutinized and if there are any weaknesses or injustices it is the duty of the opposition to probe deeply. However, I believe this can be done and time saved. What happens now? We have between 20 and 25 well paid executives sitting for an hour a day listening to questions of all types from all sources and without notice. I submit that these gentlemen should be devoting more time to running this country. They should be devoting time to the formulation of policy and to the administration of their departments. This objective could be accomplished if we copied the British system and had certain ministers come into the house for a couple of days a week at scheduled times. They would have notice of the questions to be asked and we would receive better answers. We would have more efficiency.

I believe it is self-evident that we should limit the time spent on debate. All members in this house realize that in most debates we become repetitious and waste time. Most members realize that after a certain length of time a question has been completely aired. They know they are not going to convince anyone to change his mind. They know they are tired and nauseated by the repetition and they know that the country is. I feel that if we cannot allocate time for debates by agreement we should do so by a vote of the house.

I believe speeches should be limited to 20 minutes, Mr. Speaker. In certain cases this time could be extended. I also believe in the principle of filing speeches. This simply means that a person wants to get on the record,—

Mr. Churchill: You had better file this one right away.

Mr. Tolmie: —and he could do so by filing his speech. This is done in the Congress of the United States and there is no reason why it could not be done here.

I believe too that the throne speech debate and the budget debate could be restricted to five days. If members could file their speeches it should be restricted to three days. The mid-Victorian method of voting by standing up is ridiculous and time wasting. There is no reason why we cannot have some kind of electronic voting system installed such as the United Nations has. If we can put men on the moon and can develop I.B.M. machines, then certainly we can introduce a modern voting system.

The committee system has worked very well but it should be improved by better time allocations for sittings and more research staff. My thesis is very simple, Mr. Speaker. I believe that parliamentary reform should have priority over all other legislation. I believe that from it will flow good legislation and efficiency in our operations. Perhaps this should be our parliamentary centennial project.

Why do I say this? May I outline my three reasons for advocating parliamentary reform. Many new members come into this house and become disenchanted, discouraged and disillusioned. They are cast into this mood by the obvious, stupid waste of time. They become disgruntled and discouraged. If we are going to retain members and attract good new members, then we should streamline our procedures. Second, as I said before, if we are going to transact business we have to improve our procedures. At this particular time in our history when we are enacting social legislation to bring about social reforms, we need to be able to proceed quickly. Each day we delay is a day of suffering for those waiting for divorce reform, for those waiting for penal reform, for those waiting for reforms in connection with juvenile delinquency, for those waiting for protection against hate literature, for those desperately needing housing and for those who should be protected against the ravages of pollution. The totality of human suffering and economic waste caused by outdated ritualistic parliamentary procedures staggers the imagination and cries out for help.

Perhaps the most important of all the reasons for a drastic change in our parliamentary procedure is the need to uplift the image of parliament itself. Bluntly and starkly said, rightly or wrongly our parliament is held in low esteem. A vivid picture of endless, futile debates has seeped down to the grass roots of this nation and conjured up an image of bungling, inefficient parliament. We must raise the standards of excellence in parliament so the people of this land will respect this institution and we will thus impart strength and vitality to it. We must increase the prestige of parliament so that parents across this land will be proud tc see their sons adorn this chamber. We must increase the prestige of parliament so that well motivated, well qualified young men in our nation will seek a seat in this venerable house. We cannot do

it by tinkering with the procedures of parliament. We must do it by a drastic and brutal assault on the rules of the house and the basic concepts underlying parliament.

In this our centennial year we are looking for projects, so let us make this our project. In this our centennial year Canadians are told, in flaming, emotional speeches, of the unlimited riches, individual dignity and security awaiting all of us as we enter the second century. Let us provide the means of achieving these most laudable and attainable goals.

Mr. Churchill: Will the hon. member permit a question? Did I understand the hon. member to say that a centennial project for all of us should be a brutal attack on parliament?

Mr. Tolmie: Mr. Speaker, the hon. gentleman misconstrued my remarks. I said that what we should do in this centennial year is to bring about a realistic, brutal assault on the outdated parliamentary procedures but not on parliament itself.

• (4:30 p.m.)

Mr. Jack A. Irvine (London): It had been my intention in entering this debate to say a few words about our centennial year and the great celebrations we are having throughout the country, and also to say something about our constitution. All these things have been said so many times, and in such an effective way, that I feel perhaps anything I might add would be somewhat redundant. However, to those of others I should like to add my congratulations to the mover and seconder of the address in reply to the speech from the throne. I am sure that this has been a wonderful opportunity for these two new members. Certainly they should be congratulated upon their sincerity of purpose. I do not go along with everything they said, but naturally I would not. At the same time I do want to pass along my congratulations to them.

In my opinion, Mr. Speaker, the speech from the throne might be termed an exercise in futility. I think it conceals a great deal more than it actually reveals. There is an abundance of quantity and an almost complete famine of quality. There is nothing of a very constructive nature. It contains a rehashing of what the government has done, but very little is said about what it intends to do in the future, which I think is so important in this our centennial year. The speech was of extraordinary length and according to one of the editorials I read, had a looseness of composition. It was not a reliable forecast of legislation, but an inventory of the desires and dreams of a floundering government.

Some of the items mentioned in the speech are the following: the expansion of designated areas; a job finding program; mobility financing; again the Canada Development Corporation; aid to Indians and Eskimos—all very worthy objectives. There is to be additional foreign aid in the amount, I believe, of $300 million, again a worthy objective. However, perhaps we should think for a little while and ask ourselves whether true charity does not begin at home.

There was no mention of solutions for such things as the staggering national debt that we have at the present time, the terrific burden that is placed upon the taxpayer and the hundreds of thousands of people who are unemployed. The government contend that more people are employed, but this is only natural because there are more people in Canada today. The law of nature sees that we have an increase every year, and people also enter the country as immigrants. Naturally there are more people in Canada today and so more are working; but there are also more unemployed.

Nothing was said, to my knowledge, about what was going to be done to control the spiralling cost of living, or what was going to be done about protecting the man who carries a lunch bucket against the present inflationary economy of this country. What is going to be done about increased government spending year after year, as evidenced by the estimates? The dessert was mentioned, Mr. Speaker, but there was little or no thought given to the main course.

Another matter to which I would draw the attention of the house, and about which I have spoken to the Solicitor General (Mr. Pennell), a man for whom I have the greatest admiration, is that no mention was made in the speech of hate literature and the prohibition of the dissemination of such literature. Last session there were two private members bills on the order paper dealing with this subject. There was Bill No. C-45, to amend, I believe it was, the Post Office Act to forbid the distribution of this type of literature through the mails. Then there was Bill No. C-98, which I believe ws sponsored by the hon. member for Oxford (Mr. Nesbitt), having to do with group libel, the dissemination of group hatred. I should have liked to see some reference to this matter in the speech.

I have before me a copy of an item which was distributed in my home city of London, as well as in Windsor, Toronto and perhaps other cities. I am not going to give the name of the person involved because I am sure that what this individual wants is a little notoriety; but I do not think that this sort of thing is going to contribute very much to the success of this country in our next century. This material is published by a nazi group, so-called, and we surely had enough of them during the second world war and immediately preceding it. It bears the sign of the swastika, and beneath it, at the foot of the page appears the following:

> The symbol of the movement which alone can prevent the Star of David from being forced on to us as our flag.

This is hate literature in its worst form, Mr. Speaker. It goes on:

> The flag of a mixed racial society must not be forced on us!

Then it goes on to say we should keep our country white and our race pure. This literature is directed at the Jewish people, a people who have made such great contributions to our business, economic and cultural life.

There are those who say, Mr. Speaker, that it is not in the interest of freedom of speech, one of the freedoms which we cherish, to pass legislation prohibiting this kind of thing. However, I contend that a failure to pass legislation forbidding it ignores freedom of religion. We would be picking out one group, then another, and which group would be the next one?

I understand from talking to the Solicitor General that the joint committee of the Senate and House of Commons have been instructed to recommend some kind of legislation to this house in this regard, and that they should do this very soon. I hope that this type of legislation will be presented to us in the immediate future. We have to do something to protect this segment of our society, so let us not hedge or equivocate. These citizens are entitled, the same as any member of this house, to the dignity of the individual. They are also entitled to freedom of religion. I hope that this government does not consider them as second class citizens.

Another subject with which I should like to deal is the maltreatment of children. At the last session I introduced a private members bill, Bill No. C-219, dealing with this very subject, and it was still on the order paper at the end of the session. We have a Society for the Prevention of Cruelty to Animals, but we have no society for the prevention of cruelty to children. How wrong can we be?

The province of Ontario brought in legislation to make it mandatory for people to report any knowledge they had of maltreatment of children, but there were no teeth in that legislation, Mr. Speaker. The bill I introduced last session, and which I intend to reintroduce at this session makes it a criminal offence to fail to report cases of cruelty. It imposes a fine and/or prison term on those working in the medical profession for failing to report cruelty cases and imposes a lesser fine on other individuals. I submit that in the interests of humanity cases of this kind should be reported. Many cases of this sort have come to the attention of hon. members, and many have come to my attention during the four years I have had the privilege of sitting in this chamber.

• (4:40 p.m.)

One of the most deplorable incidents that happened recently in my riding was where a young couple punished their three and a half year old child for misdemeanours by holding it in boiling water. The child died, and the couple was sentenced to two years imprisonment. That crime was despicable; it was terrible. People who let a child suffer like that ought not to be returned to society until they are psychiatrically sound. They are sick; and there are many like them throughout the country.

Next I want to speak about pension plans for retired civil servants. I wish to quote from a document printed by the public service superannuates. It contains interesting information which I have checked and find to be true, and I wish to put some of it on the record. Our civil servants have served their country well, but are receiving pitiful pensions, although the money is there to increase their pensions; it is their money. I now quote from the document:

> The superannuation plan for civil service employees of Canada has been in operation since 1924. The Public Service Superannuation Act contains the authority for its establishment and the provisions for its administration. Section 34 of the P.S.S. Act—

That is the Public Service Superannuation Act:

> —requires that the Minister of Finance "shall lay before parliament each year a report on the administration of this act during the preceding fiscal year..." Section 32 describes the "amounts to be credited to the account in each fiscal year", and section 35 of the P.S.S. regulations provides how much and when the interest earned on the balance of the account shall be calculated and credited.

According to these annual reports the Minister of Finance shows that the balance at the credit of this account as at March 31, 1965, was $2,161 million—

It has increased since then:

—and that this amount was $304 million higher than the balance at the previous fiscal year end...

Also, interest alone on the cumulative balance year after year is more than the total annual expenditure. In other words the receipts into the fund are more than three times the expenditures from the fund.

That needs to be looked into carefully. Continuing:

In January of 1966 in answer to questions asked in the House of Commons it was revealed that 5,330 retired civil servants and 6,775 widows of civil servants receive pensions of less than $50.00 a month. Those getting under $100 monthly include 13,109 civil servants and 11,923 widows. It has recently been said by welfare authorities that a couple getting less than $300 a month are living on the fringe of poverty...

Coupled with these figures the Dominion Bureau of Statistics tells us that in February the consumer price index rose to a record 142.1 based on the 1949 consumer prices equalling 100. In addition, from the beginning of the war years to the 1949 establishment of this consumer price index, the cost of living rose approximately 60 per cent.

In 25 years the cost of living has doubled, yet the pensions of our retired civil servants have remained the same. Continuing:

The reason why the P.S.S. fund is in the red is because section 3(2) of the P.S.S. Act places the superannuation account in the consolidated revenue fund and the money is thereby used for purposes other than superannuation. The Glassco Commission revealed a shortage in the superannuation account. Moneys collected as contributions toward a pension plan by the administrators or trustees from employer and employee cannot be classified as revenue in the sense that postal, customs, excise, income tax, etc., returns are considered as revenue. Contributions toward the Canada Pension Plan are not being included as revenue. These moneys are being made available for investment.

The provinces are clamouring to use this money at the present time. Continuing:

The Prime Minister and the Minister of Finance have compared the P.S. superannuation plan with outside pension plans, and have said that by granting pension adjustments in favour of federal superannuates they would be discriminating against Canadian citizens. By the way are federal civil servants not Canadian citizens? These gentlemen have omitted to mention that this is a contributory plan...

In January 1965 employees of the Ford Motor Company of Canada obtained an adjustment in their pensions of $1.45 per month for each year of service. A pensioner with 30 years service thus got a pension increase of $43.50 per month...

Revision of the P.S.S. Act is long overdue. In any revision, consideration should be given to inserting a provision whereby pensions will be adjusted in line with the consumer cost of living index, as is now being done for the Canada Pension Plan, the Old Age Security, and in the case of salaries and wages paid throughout the civilized world. The British Pensions (Increase) Act has provided pension increases in 1920, 1924, 1944, 1947, 1952, 1954, 1956, 1959, 1962 and 1965 for retired public servants.

It is time that we acted on behalf of our civil servants, many of whom have given dedicated service to this country.

Next I refer to page 590 of *Hansard* for April 26, 1965 where the following information is found:

The balance of $2,161 million in this account at March 31, 1965 is $304 million higher than the balance at the previous fiscal year end.

This money belongs to our retired civil servants, and we ought to be fair with them. Let us bring their pensions to a decent level.

Next I want to say something about empire building, government by bureaucracy. The figures I shall mention I have researched thoroughly, some of them going back to 1963, when this government took over. It will be interesting to compare these figures with those of today. For instance, in 1963 the C.B.C. had 824 employees; today it has 1,308—almost twice as many. In 1963 the Department of Agriculture employed 10,410; today it employs 12,442. The B.B.G.—much younger and probably much wiser then—employed 40, and today employ 94. The figures for the Department of Fisheries show 2,668 for 1963, and 3,285 employed today. In the Department of Public Works there were 9,290 in 1963 and there are 9,815 today. In the Department of Defence Production—and this is an alarming increase—we had 1,647 in 1963, compared with 5,430 today. The Department of the Secretary of State employed 824 as compared with 1,497 today.

• (4:50 p.m.)

Let us look at the spending estimates of these various departments and see how they have increased since this government took office. Estimates of C.B.C. expenditure have increased by $56 million, which is 70 per cent higher than the 1963 figure. In the ministry of agriculture the increase is $78 million, amounting to 45 per cent. The increase for the Board of Broadcast Governors is $691,000 or 90 per cent. In the Department of Fisheries it is $24 million—a 100 per cent increase. In Public Works it is $98 million or an increase of 55 per cent—I am quoting the nearest round figure below the actual amount in each case.

Mr. Speaker, we cannot afford that kind of government. The estimated expenditure in

the fiscal year just ended was $8,795 million. This year it is $9.5 billion—very nearly a billion dollars more. This is at a time when things are pretty good—we hope—and when we should perhaps be laying something aside for a day when it might be needed. Somebody has to pay the piper, and it is the taxpayer. It is the man in the income bracket between $5,000 and $10,000 who pays most of the income tax which is collected in Canada.

The present administration is spending money like a drunken sailor. This is an expensive government and the taxpayer just cannot afford it. If we consider this picture of taxation and expenditure together with the disunity which seems to be running through the cabinet at the present time it may be concluded that this is a good time for the government to resign. Let them resign now. Let us get ourselves a government which would protect the individual, the average person, so that he can live in at least a semblance of dignity.

Today the average person pays 34 cents out of every dollar he makes in taxes of one form or another. I contend that the burden of taxation has reached the point at which he can stand no more. Consider the increases which have taken place in the field of wages—increases which amount to about 10 per cent a year. Compare this rate of increase with the rate of increase of our productivity. Last year national productivity was supposed to have increased by 6 per cent but the influence of factors such as price indexes brought the net increase down to about 4½ per cent.

If wages are increasing at twice the rate of the increase in our productivity, something has to be done. If not, we shall price ourselves completely out of foreign markets—and when we do that we shall really be in trouble, because once we lose those markets we shall find ourselves facing mass unemployment, something we cannot afford with prices as high as they are at present.

I suggest to the Minister of National Revenue (Mr. Benson), who I see in the house now, that the government should take a good look at this situation. I am seriously concerned as to the direction in which we are going, and I know he is, too. What is the answer? In my own minimal way I have a few thoughts on the subject:

1. We should bring about a gigantic cut in all expenditures. Let us cut and trim everything as closely as we can. Anyone who operates a business, whether big or small, public or corporate, knows that if the money going out is more than the money coming in, something has to be done about it. This is the position in which we find ourselves today.

2. We must increase our productivity by every means open to us.

3. We must get back to common sense business principles—we cannot pay out more than we receive.

4. We must return to the old fashioned, outmoded method of pay as you go, which is still, to my way of thinking, the ideal way. Why not a balanced budget for a change? The Minister of Finance (Mr. Sharp) will shortly be presenting a budget to us. I hope that somehow he will be able to present us with at least a balanced budget; we would like to think that in this our centennial year we are heading in the right direction. We should be looking forward and upward—and when I say "upward" I do not mean that our expenditures should be going in this direction. It is time for each of us in all parties in this house to get together and put our country first, and petty party grievances second.

Mr. Perry Ryan (Spadina): I should like to begin by complimenting the mover and seconder of the address in reply to the speech from the throne. I believe all hon. members will agree with me when I say the house has two new found stars, one from Newfoundland and the other from Quebec. They are to be commended on the excellent manner in which they carried out their assignments.

As chairman of our Canadian NATO parliamentary association I feel I should take the opportunity afforded by this debate to speak for my allotted time with respect to certain aspects of foreign affairs which are dealt with in the speech from the throne. On the premise that our constant objective is to strengthen Canada's position in the councils of nations by the ardent pursuit of world peace, I believe we must, with strength, face up to current international problems.

We fear the proliferation of nuclear arms and are dismayed at the slow progress being made in the field of international disarmament. We recognize the urgent need for the reform of the NATO alliance and acknowledge that our NORAD arrangements require adjustment. The alternate periods of cold war and detente between east and west greatly complicate these problems.

As my time is limited, I intend to confine myself to speaking about the reform of NATO and the North Atlantic Assembly. I shall try to deal with these subjects as I see them, as chairman of our local NATO association and

as your representative on the standing committee of the North Atlantic Assembly. With respect to the reform of NATO, I shall endeavour to give hon. members some background on the origin of NATO, some details of Canada's present contribution to NATO, and the original and current Canadian view of it as compared with the American view. Then I shall deal with current problems and the need for reform.

During the second world war, Russia annexed Estonia, Latvia, Lithuania, certain parts of Finland, Poland, Rumania, northeast Germany and eastern Czechoslovakia. She took over 180,000 square miles of territory and more than 23 million inhabitants. After the war, by 1948, Moscow controlled and swallowed another 363 million square miles of territory and 95 million people. Her pressure extended menacingly into various other parts of the world, ranging from Greece in the Balkans to Korea in Asia. The west was scared into action.

• (5:00 p.m.)

Free Europe turned to the United States, the only power strong enough to withstand the might of the U.S.S.R. On March 12, 1947, President Truman enunciated the Truman doctrine. Congress responded with $400 million in aid and dispatched military and civilian missions to Greece and Turkey. The Marshall plan extended aid to all Europe, including Russia and her satellites behind the iron curtain, but no Soviet state or satellite was permitted to accept this aid, and the conditions between east and west became what is described as the cold war.

On March 17, 1948, Belgium, France, Luxemburg, The Netherlands and the United Kingdom signed the Brussels Treaty which pledged mutual co-operation in building up a common defence system and the strengthening of economic and cultural aids. Three months later the Russians countered with the blockade of Berlin. Canada welcomed the Brussels Treaty, and promised to support an effective system of collective security through regional pacts under the charter of the United Nations. The Canadian suggestion for a mutual defence alliance received support in Britain and in the United States. After a series of talks between representatives of Canada, the United States and those of the Brussels treaty powers, the text of the treaty was published on March 18, 1949. Denmark, Iceland, Italy, Norway and Portugal were officially invited to accede to the treaty, and on April 4, 1949, in spite of official protests from the Soviet union, the North Atlantic Treaty was signed in Washington by the foreign ministers of 12 countries, including Canada, and the parliaments of all countries ratified the treaty within five months thereafter. Greece and Turkey were invited to join and formally acceded on February 18, 1952. The Federal Republic of Germany officially became a member on May 9, 1955, to bring the membership of the alliance to 15 countries.

Canada's contribution to NATO defence is a combination of land, sea and air elements of its armed forces. In West Germany, in the Soest area, we have stationed the 4th Canadian Infantry Brigade, consisting of approximately 6,300 officers and men under Brigadier Amy. This force is kept at a high state of readiness, at a cost of about $54 million annually, excluding weapons. The Canadian government is in the process of re-equipping the brigade with new and modern vehicles and weapons.

Our delegation to the NATO Parliamentarians Conference held in Paris last November had the privilege, before the conference, of visiting the 4th brigade at Soest and can attest to its superlative condition and spirit. The delegation also inspected two of our four air bases in France and Germany. At Marville, France, we saw the highly efficient CF-104 reconnaissance operations that are carried out by No. 1 wing of the air division. Later the group proceeded with Air Vice Marshal Lane to No. 4 wing at Baden Soellingen in Germany where we toured the facilities and were briefed as far as possible on the state of readiness of our modern aircraft. The high degree of professionalism possessed by our military officers and men was quite apparent, and we were very proud of them.

In addition we have other troops that are committed to NATO but are maintained in Canada. Also maintained in Canada is a special force, a 3,176 man battalion group for the ACE Mobile Force. ACE is under the Supreme Allied Commander Europe, SACEUR, and is designed for quick action to meet any aggression on the NATO flanks, such as in Norway, Greece or Turkey, or to meet any other similar contingency. The present commander of ACE is a Canadian, General Turcot. Last summer Canada offered NATO two more battalions for ACE Mobile Force and recently the offer was accepted in principle.

One of the most important roles that Canada played in the founding of the North Atlantic Alliance was to bring the United States into the treaty. However, from the outset there have continued to be basic differences in the views, aims and attitudes of the Canadian and American governments. Even today, while they both generally consider NATO to be indispensable, yet in need of change from its present form, they have come to these conclusions by different ways and for different reasons. Thus they tend to different solutions of the basic problems that are facing NATO.

Canada has always, from the beginning looked on the alliance as the basis of a future Atlantic community. Beyond the military tasks Canadians saw the ultimately more important political, economic, social and agricultural roles. She tried to incorporate specific proposals along these lines in the treaty itself, but failed because the larger powers were not too enthusiastic. The best that was achieved was the insertion of Article II in the treaty, that is the article which contains the non-military provisions.

During the Truman-Eisenhower days the United States viewed NATO as a purely military association, with the one task of defending Europe, a policy with which Canada has never entirely agreed. The Canadian outlook has at no time considered NATO in its actual form as a solely military alliance for the defence of Europe. We have sought for greater unities, but despite disagreement as to the ultimate aims of the alliance Canada has supported moves toward the integration of the armed forces of NATO members, and opposed demands for exceptions.

Hopes were high at one time of NATO transforming itself into a close association of free countries on both sides of the Atlantic, but again the larger powers have not encouraged the extension of it into other fields. The United States Congress, for example, has continued to be opposed to any form of foreign control of United States policy.

As a defence alliance NATO has proven to be a tremendous success. Its existence has diminished the danger to western Europe, and that very fact has raised problems within the alliance. By 1958 the British were critical of the fact that NATO had failed to work out a common policy on a global basis, and France was not satisfied with preponderant American influence in NATO. President de Gaulle sought a permanent directorate composed of the representatives of the United States, Britain and France to co-operate their policies the world over. The American response to this was chilling, and apart from the big three it was already clear that the other members of the alliance, including Canada, sought more consultation and less domination under the guise of co-ordination.

In addition to the political and economic problems of the alliance, the late President Kennedy had to come to grips with the question of control over nuclear weapons. He evolved a formula in 1962 which indicated that the United States would be ready to share a nuclear weapon partnership with a United States of Europe, but with the diminishing danger to western Europe it proved impossible to take even a first step in the direction of a united Europe.

Many Canadians, of course, did not like the idea of a dualist NATO, or a two-pillar policy, one pillar being in Europe and the other being in North America. This type of partnership would be entirely counter to our traditional foreign policy. What has been important to Canada is that her association be on an equal footing with all NATO countries, as only this structure gives Canada a degree of independence from the United States, a degree of independence that we have considered in the past to be essential.

• (5:10 p.m.)

Another Canadian consideration is that a two-pillar partnership would put Canada in the agonizing position of having to make a choice between opposing American and European policies, on frequent occasions. But the natural trends on both sides of the Atlantic are toward continentalism. Continentalism is a process in operation today that is analogous to the process that brought about confederation in this country 100 years ago.

Canada does not seem to have changed her attitude with regard to President Kennedy's dualist NATO proposal, although circumstances in Europe may very well eventually dictate such a situation—at least with regard to the military aspect of the alliance. Britain's entry into the common market is an example. Will a United States of Europe follow? Will we be forced to change our attitude to remain in the alliance? We are going to need strong leadership and strong support in Canada to keep our independence in our second century.

The nuclear dilemma was not a problem during the early years of the alliance when the concept of the defence of Europe coincided with the concept of the defence of

America, and when all the partners in the alliance felt that an assault upon any one of the members would immediately bring forward massive retaliation. By 1959 however the strategic situation had changed. There was talk of a missile gap in favour of the Soviet union, which made Europeans doubt that the American guarantee was unequivocal, and would be instantaneously operative as had been believed earlier.

Then President Kennedy evolved the new look in American strategic thinking, based on the correlated ideas of flexible or measured response and strict central control. The intent was to avoid the necessity to meet every one of the enemies choices with the massive retaliation of the earlier era. The United States now wanted a range of options and the right to discharge its commitments in NATO according to the circumstances, with conventional arms at first and as long as possible, and with nuclear arms if necessary, but in that case with the discretion assured by the tightest and most responsible central control.

This *de facto* change has had an unsettling effect upon the European side of the alliance, as it did not meet European security requirements or European aspirations. However, today most Europeans are less troubled, now that they have witnessed the American response to the Cuban crisis and have been shown the plans for flexible and measured response. However, a continuing trouble with the policy of flexible response under central control is that it is inconsistent with the political concept of a two-pillar partnership; the latter policy envisages a united Europe with which the United States would share the control of nuclear weapons, and also the west's responsibility for peace, stability and prosperity in the world.

The idea of central control, on the other hand, is based on the idea of integration under United States direction. This apparent contradiction strengthens the European suspicion that the United States really wants acceptance of its military program and only holds out the additional promise of a true partnership in front of the allies to get them to accept such an arrangement.

So today the problems of consultation and the proliferation of nuclear weapons in NATO are two that are still to be solved satisfactorily. Mutual control may well be deferred until Europe achieves political status equal to the United States. In the meantime, it appears that the furthest the United States is willing to go is to allow participation in the formulation of a plan of priorities that will come into operation in the event of an emergency. Mutual control continues to be, therefore, the major problem facing NATO today—although the West German desire for a greater role in the determination of alliance policy, and for a more tangible voice in nuclear weapon sharing has been met in part by the recent setting up of the nuclear planning committee.

Another key problem facing NATO today arises by virtue of the effects of French policies on alliance cohesion. Since 1962, the shape and purpose of NATO have come under increasing attack by France. Under the leadership of President de Gaulle, France makes three specific arguments.

The nuclear balance of power between the Soviet union and the United States has seriously impaired the credibility of the United States deterrent. France believes that it is unlikely the United States will risk its own survival in order to counter a Soviet attack in Europe, or that the Soviet union will doubt the will of the United States in a European showdown. In this respect France does not trust the United States; but other members of the alliance, including Canada, continue to do so.

Because of the strategic stalemate in Europe, the French believe that the real area of conflict between east and west has shifted from Europe to the former colonial territories. The French fear that unless they, and the other European states, remain aloof from these extra-European struggles, they may become involved in a war that is neither to their interest, nor of their own making.

Because a nuclear stalemate does exist, and because the main theatre of concentration is no longer in Europe, the French believe that there is no longer any need to maintain the NATO military structure. Indeed the French believe that this organization is merely a means of subordination. The organization, in President de Gaulle's view, is a method by which the United States maintains its domination of NATO.

By withdrawal from the military infrastructure of NATO, France has not broken the letter of the North Atlantic Treaty. This is apparent from a careful reading of the articles of the treaty. Whether it has, however, broken the spirit of the treaty, or any bilateral agreement in respect of the infrastructure, is another matter.

The French still want to be a partner in NATO politically, and in the event of an emergency, militarily, under French sovereignty. Furthermore they want partnership

in NADGE—the electronic curtain that will identify all aircraft crossing NATO borders and automatically institute action previously decided upon. The French withdrawal has embarassed the remaining 14 members. Their withdrawal has created many problems for the alliance, many of which have now been solved as the remaining partners have stood steadfastly together, bearing in mind that there are still 300,000 Russian soldiers in East Germany, and that there are six or seven hundred nuclear armed missiles aimed at western Europe.

The German problem is a key problem, both within NATO and between NATO and the Soviet union. After 22 years, the scars of war are not healed and Germany is still a divided nation. Berlin, the capital of a once united Germany, is still in the middle of communist East Germany. There has been no peace settlement; barbed wire and walls separate the east and west Germans. These conditions are highly volatile, and Europe will not rest until they no longer exist. And within the alliance West Germany is seeking to strengthen its political voice through greater influence on military strategic affairs.

• (5:20 p.m.)

From all this it will be seen that Europe is no longer a downtrodden and helpless continent. The new Europe is now demanding political power commensurate with its potential military and actual economic strength. The United States having long striven toward exactly this situation of European strength, now finds itself somewhat uncomfortable. For the first time there is a challenge to Washington's leadership.

To the French, nuclear subordination seems to imply political subordination. It means that without an independent nuclear force there can be no independent European diplomacy. Even President de Gaulle admits that while his strategic force will have limited military effectiveness, there is every likelihood that it will carry diplomatic weight out of proportion to its size.

Another problem for NATO is the current globalization debate. The United States would like its NATO partners to recognize that it is in their international interests to take a more active role in conflicts and problems outside the Atlantic area, such as Viet Nam. Some other partners are interested in those areas, such as Africa, where they have special relations, but most of the NATO members are reluctant to have any part of globalization. The United States may be able to interest some of its partners on a bilateral basis but it is fairly apparent that it will not be able to do so on a NATO basis.

When the 12th NATO Parliamentarians Conference was held at NATO political headquarters in Paris last November, two main events occurred; first, the name of the organization was changed to North Atlantic Assembly and, second, a Canadian, our colleague Jean-Eudes Dubé, the hon. member for Restigouche-Madawaska, was elected first president under its new name. Among the many reports, resolutions and recommendations of the conference was one dealing with institutionalization or, if you will, consultative assembly status for the conference, under its new name. This was the second resolution of the political committee and it was adopted by the plenary session of the conference.

It is the hope of the North Atlantic Assembly that it will attain the status of a consultative assembly such as the consultative assembly of the council of Europe, and the European parliament; that it will have more status and influence and be of more assistance to the North Atlantic Council.

The consultative assembly of the council of Europe meets for about a month each year, usually divided into three sessions. It is estimated that an Atlantic assembly would need to meet each year for at least a week. The seat of the assembly would be at the headquarters of NATO in Belgium. It is suggested that the number of its members be 172 of whom 12 would be from Canada. Each member, or substitute, would have one vote and would speak and vote on his own responsibility. The assembly would debate issues currently before the North Atlantic Council for resolution, and would submit new proposals or recommendations. It would submit questions to the Secretary General of the North Atlantic Council and receive either answers or formal refusals to answer. It would invite representatives of the Secretary General or the North Atlantic Council to appear before the assembly or its committees, to question them orally. Such functions are among those possessed by existing European assemblies.

There would appear to be general enthusiasm in favour of the resolution by all member nations, save that certain difficulties may arise when it comes to obtaining ratification for the new status from the parliaments of all countries.

Our own Secretary of State for External Affairs (Mr. Martin) has already indicated

that the Canadian government favours increasing the importance of the NATO parliamentarians. He has qualified his approval of the proposal to change the NATO Parliamentarians Conference into a consultative assembly by saying, however, that it has not been decided whether the specific proposal adopted by the NATO Parliamentarians Conference represents the best means of giving effect to this objective.

The NATO Parliamentarians Conference now known as the North Atlantic Assembly, has its own secretariat and it is anticipated that this secretariat will be strengthened this year by the appointment of a new Secretary General and an assistant, in addition to the existing staff.

The debates and recommendations of the NATO parliamentarians have been quite influential in moving NATO from peace keeping to peace making, and from conduct of the cold war to a serious interest in the development of the current European détente. NATO parliamentarians are very much interested in exploring and exploiting a rapprochement between east and west, in the interests of a peaceful and lasting settlement in Europe. Increased stature granted by the award of consultative assembly status would likely improve east-west relations because it would be greatly concerned with them and may be the first basic step toward ultimate Atlantic union. Indeed it is possible that its establishment might lead in the future to a reduction in the number of international parliamentary bodies through a merging of the assembly and the assembly of Western European Union. Since the Western European Union is composed of seven NATO countries, such a merger could come about if it appeared to be in the interest of their governments. In this case the specialized functions of the Western European Union assembly could be performed within the framework of an Atlantic assembly, by the delegates from the seven Western European Union members.

In conclusion, I would ask that all hon. members of this house and the other place support the proposal to institutionalize the North Atlantic Assembly, in such fashion as you may be called upon to do so by our government.

Mr. Reg Cantelon (Kindersley): Mr. Speaker, I think I should like to ally myself with those who have congratulated the mover and seconder of the address in reply to the speech from the throne for the very able manner in which they have discharged their responsibilities. Many have said that seldom have more efficient and capable speeches been delivered. I agree, although my experience here has been rather limited in that regard.

I do not feel I would like to make any general comments on the speech from the throne, because were I to do so I would be compelled to do what many other members have done; that is, suggest that it is so diffuse and so indefinite that it is very difficult actually to make any concrete suggestions about it. I should like to say also that, as this is our centennial year, I am happy that the centennial commission has done such a good job. In particular I should like to mention the name of the commissioner, but perhaps I should not mention his name because everybody knows who he is. I believe he has done an excellent job, although there have been occasions when he seems to have been pushed somewhat into the background. Nevertheless I am sure the work he has done will be recognized by the Canadian people.

I am happy also that in this centennial year our Expo shows evidence of being a great success. I have been very fortunate in having been there on several occasions. I can say, I am sure without fear of contradiction, that all those who visit Expo will enjoy their visit very much. If they wish to receive an education, they can remain there for a couple of weeks and have a rather broad general education in respect of all that is going on in this world today. In particular I think this is noticeable in the pavilions of what I might call the main powers. I refer to the Russian pavilion, the United States pavilion, the British and French pavilions. Since I am a western Canadian I should not like to let this opportunity pass without mentioning that the western Canadian pavilion I visited was I believe the most imaginative and interesting that one could see.

• (5:30 p.m.)

In considering what I wanted to say today I thought I would like to deal with three topics. The first one is of course my own particular fetish. I suppose this is natural, since I am a schoolteacher. I should like to speak briefly about education and the place of the federal government in that field, because I am not one who believes that the federal government should play no part in education. In a modern and developed nation, such as we are, we should recognize the absolute necessity of a well educated population. We are lagging in this respect.

It has been said that in the 20 years after the first war we made very rapid strides, and this applies in particular to the province of Ontario. Since that time I do not think we have kept pace with the developments that have been going on in other countries. Certainly we have not kept pace in the numbers we are educating. The last figures I saw, and I will admit they are a couple of years out of date, showed that some 70 per cent of the Russian people go on to advanced education, that is university or its equivalent. In the United States some 33 per cent continue their education above the high school level, but in Canada only 17 per cent do so.

I know that some years ago we in Canada suffered under the delusion that we had one of the best educational systems in the world. I think it is one of the best for the people who get it, but the trouble is there are not enough people who get it and there will not be enough people getting it until the federal government gives substantial assistance to the provinces in a fund raising manner. One might say that this would be interfering with the prerogatives of the provinces. However, we manage to give educational assistance to the universities without interfering with the special educational prerogatives of the provinces. We manage to give vocational assistance and to pay the largest portion of the capital costs of vocational buildings. Unfortunately the present government has taken a very retrograde step in having removed this provision.

I think we could give that assistance to high schools in the same way. There is no earthly reason why the provinces cannot say to the federal government: we have a certain number of schools we wish to build, and we will require certain sums of money for that purpose. The federal government should be prepared to provide that money to the provinces. If to anyone here this seems too altruistic or too much in opposition to the B.N.A. Act then I do not think he is a modern Canadian and I do not think he really appreciates the difficulties which face education today. I do not think he realizes that unless we do this sort of thing this country in the future will not be able to maintain its position at the forefront of the world's industry, but will lag further and further back. I have some grandchildren in Canada. I hate to think that in the future they might find that this country has lost its place in the parade of nations because it has failed to do for education what obviously needs to be done.

The second subject about which I wanted to speak briefly is that of chemical tariffs. It can be only a few words because new developments are taking place in this particular field and I hesitate to comment on this topic in any depth until I have had an opportunity to review the recent work, in particular the publication that came out today. I want to speak about chemical tariffs and what needs to be done for the chemical industry in this country. This is a subject which I as a Saskatchewanite hold dear to my heart. I believe that Saskatchewan has the industrial base to become the centre of a great new chemical industry in this country. The largest known potash deposit in the world is to be found in Saskatchewan. There are huge deposits of low-grade lignite coal in the south. There will be an adequate supply of water, once we get the South Saskatchewan river dam properly working. There is much oil in my province, and there will be more, I am sure.

I think these three things alone are enough to provide a base for a tremendous development in industrial chemicals. However, there are difficulties here. Until the present time the chemical industry has had to be supported by tariffs, and these tariffs are in the process of revision. As I have said I hesitate to comment on this topic at the present time. Nevertheless I do think we should remember that if we are going to develop an industry in this country, we will have to continue to give it protection. We are a comparatively small country and our production will be small for many years. Therefore we cannot compete with the huge industries that are located in countries like the United States, which is so close to us and so easily able to ship to us the chemicals we want. I think this is probably all that I will say about that particular topic today, although I hope to say more about it some time in the future.

The third subject I want to discuss is that of pollution. So far it has not been too serious in western Canada, but I can foresee a future in which it will be a very serious problem. Generally speaking, there are of course two main classes of pollution with which we as a nation have to deal. The first is air pollution which is caused by two main sources, industrial plants and automobiles. In the west, automobiles do not cause much trouble because there are miles and miles of roads and not too many motorcars to run on them. To those members who like driving a car I would

suggest a trip to the west because I can assure them they will enjoy it there, far more than driving on the streets of Ottawa.

I will dismiss rather unwillingly the latter form of pollution by saying that this government, in spite of the lead given it by the United States government and by the vigorous representations made by the hon. member for Brome-Missisquoi (Mr. Grafftey), has made it very clear that it intends to continue its standard policy of moving only when forced to do so. It would be so easy to start now, but of course it will not, as it has told us over and over again.

Fortunately for most of us, industrial air pollution is almost invariably accompanied by such a disagreeable smell that public outcries usually bring some measure of treatment. Nevertheless, both the municipal and provincial governments are very loath to act before the industrial pollution begins. They want the business to come into the province so will not propose the restraint before the industry locates there.

• (5:40 p.m.)

In Saskatchewan large quantities of salt waste produced as a by-product of the potash industry are almost certain to be blown over many square miles of good farmland. This is a new type of pollution, and there is of course no actual measure to control it at present. I hope that before this pollution becomes very harmful there will be steps taken to prevent the areas around these potash mines from being turned into agricultural deserts.

It is true, of course, that some research is being done. As James H. Gray put it in the Ottawa *Citizen* for January 23, 1967:

> Research is now being done on the effects of airborne salt dust on soils and agricultural crops.

The federal government, I think, would do well to assist in this research as it ought to do in all industrial airborne pollution. I would hope that it would not adopt the attitude of the manager of the Saskatchewan Power Corporation who was quoted as saying:

> Water is for use and if some of it gets polluted in the process, the people should try to live with it.

I cannot imagine a more iniquitous type of statement. I cannot imagine, either, the previous manager making that kind of statement. Since the present manager is an appointee of the Liberal government of Saskatchewan, he evidently mirrors the opinion of that government. I hope the premier of Saskatchewan does not feel that way. If he does, I hope he does not delay too long in calling an election so the people of Saskatchewan can get rid of him and put in a party with more concern for the welfare of the people of my province.

A great deal of attention has been focused on pollution of the Great Lakes watershed. The United States is fortunate in that some ten states are concerned. The federal government there has therefore seen pollution as a national question and has taken an active interest in the problem. As the Winnipeg *Free Press* put it in an article on April 18, 1966:

> The U.S. government appears to be moving in to grasp control firmly on its side of the border, using a combination of legislation, knuckle rapping, potential court actions and money.

It is just too bad our federal government has not the same sort of courage. In 1966 President Johnson proposed to spend $20 million on pollution control research and as much as $10 billion in the next ten years. He estimates it will take $30 billion to clean up water pollution in the United States. I hope we never get to the stage where it will take $30 billion to solve this problem; but if we go on doing nothing, as we have in the past, then we can expect it will cost that amount some day.

Is it that we do nothing because we are afraid to interfere with provincial rights? I believe that is the excuse the government uses today. This is the excuse the government uses to do nothing in spite of the great damages that failure to act has done and continues to do to the national heritage of the people. Dr. Vance of the Ontario Water Resources Commission says:

> They're Ontario waters but they're also national waters. As far as I know, it isn't a case of disputed jurisdiction, but clarification is needed.

The Canadian government has evaded its responsibilities long enough. I hope a bold enough step will be taken to do some good. I cite this situation to illustrate the fact that where pollution is worst the government has taken no steps. As the Ottawa *Citizen* of February 14, 1966 put it in reporting the words of George Burt, Canadian director of the united auto workers at a water conference:

> Mr. Pearson's office backs on the Ottawa river which is full of pollution . . . Just across from his office, the E. B. Eddy Company every day dumps tons of sulphur, which I understand is a fish killer, into the river.

Referring to the minister for external affairs he said:

> I don't think Paul Martin should be hesitant in making a statement either. He lives on an open sewer—the Detroit river.

So we have, as the headlines put it, "politicians living by open sewers", and doing nothing about it. The government certainly has done nothing concrete in the rest of Canada.

In the fall of 1966 there was a conference held on pollution which produced 15 pages of recommendations. I should like to review them briefly, and will condense the recommendations by lumping them under six headings.

First, they decided there was a great need for a federal organization or agency which would develop a pollution abatement code and co-ordinate and disseminate any available information. This organization, too, would conduct research and co-operate with other agencies that might be working in the field. It was also their considered opinion that there should be some form of national standard set up in the pollution field.

Third, they believed that anyone who pollutes should bear the cost of treatment of the pollution damage which is inflicted on other people by the failure to control the pollution. Fourth, the conference considered there ought to be financial incentives to industry so that industry would improve its anti-pollution measures.

Fifth, they noted that there was a shortage of trained experts in the field of pollution. Finally, they thought that the best way to attack pollution control was to do it on a regional or water-shed basis, and to attack it on a multifunctional basis. There were some 600 experts at this meeting and these recommendations were the consensus of their views. This being so, I hope this government, which has never been too willing to accept suggestions, and certainly not too prompt to carry them out, will move rapidly to implement the suggestions that have been made. It is now more than six months since this pollution control group met and brought out these recommendations. I hope it will not be six months before we hear of them again from the government.

Two Ottawa scientists recently presented a paper on the subject of pollution to the Canadian Operational Research Council which was meeting at the University of Ottawa. Dr. R. W. Durie and Dr. R. F. Fletcher of the Department of Energy, Mines and Resources presented this paper last Wednesday, May 10. Dr. Durie offers this broad definition of pollution, that it is any effect resulting from the use of natural resources which is deleterious to man, to his use of natural resources or to his esthetic sense.

In his view, the tendency now is to concentrate on individual problems instead of finding out the best way of using all natural resources. He thinks that we must make an immediate attack on the pollution that exists. He would set up some demonstration projects to show the public what alternatives are available in any plans for pollution control. He believed that the matter of pollution control requires top to bottom planning, because the broad goals must first be set out. I am not too sure what he means by top to bottom planning, but if I were to interpret it I would say it means from the federal government down to the municipal government, as well as the industry or individual which does the polluting.

In the west, and particularly in my own province of Saskatchewan, a study of the industrial pollution of rivers has recently been undertaken. Recently in Saskatchewan an organization was set up by the provincial government to review the matter of pollution. In my own constituency of Kindersley, and also in The Battlefords, this matter of pollution is one that has aroused some interest in the past and is still arousing a good deal of interest because the Saskatchewan river goes through our constituencies.

• (5:50 p.m.)

The city of Saskatoon has been turning its sewage into the South Saskatchewan river for a great many years. The municipality of Cory which surrounds the city has obtained an injunction to prevent this; but in spite of this the city has gone on polluting the river. The main argument of the city of Saskatoon today is that it cannot afford present requirements for pollution control unless more aid is forthcoming from the senior levels of government.

This, in effect, was the basis of a brief which was presented to the Saskatchewan Water Resources Commission by the utilities manager for the city. I will not debate the arguments pro and con between this gentleman and the members of the committee. Suffice it to say that there was some conflict of interest between the two and the city was accused of not doing anything. I quote from the Saskatoon *Star Phoenix* of May 1, 1967:

> The brief said pollution programs can cost individuals and organizations large amounts of money with no direct benefit. However, this should not relieve them of the responsibility of protecting a natural resource.

Since many urban centres are encumbered to the limit with other heavy costs of rapid growth, further extensive costs for pollution control cannot be met from the present available sources of capital and revenue, it said.

Further on it says:

The city felt financial aid offered by the federal government to finance the cost of trunk collector sewers and sewage treatment facilities is inadequate.

The city of Saskatoon's main contention was that it needs more help and, in particular, needs help from the federal government. This is the common complaint of municipalities today.

The North Saskatchewan river runs through the cities of North Battleford and Prince Albert. The city of North Battleford presented a brief to this same committee of the Saskatchewan government in which it said that some provinces tend to claim sole rights to water flowing in any river within their boundaries, and that they claim the right to use and dispose of this resource as they see fit without regard to people who are living outside the provincial boundary. Of course, it is quite evident that this type of thinking is wrong, because a river does not stop at a boundary, either toward its mouth or toward its source. Therefore something should be done to change this sort of provincial attitude.

To my mind it is the sort of thing that demands legislation and action by the federal government in order to prevent those places that are down river from being bothered by pollution from cities that are in other jurisdictions than their own. Certainly it emphasizes the need for national control.

The city of North Battleford has had a good deal of trouble with pollution of the North Saskatchewan river, and has had very little satisfaction in its attempts to try to correct this pollution. Until measures are taken by the federal government in conjunction with the provincial governments to prevent pollution of this type, I doubt very much that anything satisfactory will come of the city's attempts.

The development of effective pollution controls in Saskatchewan cannot be successful unless there is agreement between the province of Saskatchewan and the province of Alberta. And of course, since Manitoba is down river, they have the same right to satisfactory agreements. Since this is so, it seems to me that there is very little possibility of any satisfactory arrangement unless the federal government can step in and arrange controls that will satisfy all provinces. I think it is particularly important that the federal government should assist, because as the *Star Phoenix* of May 4, 1967 points out:

Municipal governments across the land are feeling the strain of demands upon property taxes. The problem is particularly acute in cities like Saskatoon where services must be supplied for many residents whose employers pay taxes to other municipal governments.

Further on it says:

We believe that those primarily responsible for causing pollution should also be primarily responsible for the cost of reducing or eliminating that pollution. But some assistance in these matters from provincial and federal governments can be justified.

Then it goes on to say:

The province should have a clear policy on such assistance before it starts to enforce rigid pollution controls—as it hopes to do this summer.

But it is perfectly clear from this, to my mind, that the province cannot have a clear policy on assistance or on rigid pollution controls until it knows just where it stands with the federal government on these matters.

Before concluding this particular portion of my remarks I would like to say a few words about what is going to happen to the South Saskatchewan river dam if something is not done to control pollution in the South Saskatchewan river. Just last summer one of the residents of Saskatoon, Mr. Hugh Arscott, with his son made a trip down the South Saskatchewan river. He came to the conclusion that lake Saskatchewan behind the South Saskatchewan river dam would slowly fill up, without adequate protection from upstream pollution. In his words, "It could very easily become the cesspool of the prairies". He told of a situation near Estuary at the junction of the Red Deer and Saskatchewan rivers where there were brownish-orange suds forming on the river surface, and again, to use his own words, "I cannot tell you what it was, for my fear of disease was greater than my scientific curiosity and no samples were taken for analysis".

In the Red Deer river, which is a tributary to the South Saskatchewan, he noted a chemical factory spewing large quantities of industrial waste into the river. It resulted in a thick brown scum which formed on his boat cover and on the gravel of the river bed. In his own words again, "It doesn't take any talent to pollute a waterway; it's easy". This seems all too true.

It will be a shame if the large lake behind the South Saskatchewan river dam does become polluted, for the people of Saskatchewan hope that it will not only be an assistance to industrial development in their province through the power generated at the dam and through the irrigation water they can take from the lake, but that it will also provide a large summer resort area in which all types of water sports can take place. I am sure they hope that it does not become a second lake Erie.

I am not sure whether my time has nearly run out, Mr. Speaker. If not, I should like to call it six o'clock.

Mr. Deputy Speaker: Perhaps I should advise the hon. member now that his time has expired.

Mr. Herridge: Would the hon. gentleman permit a question?

Mr. Deputy Speaker: Order. The time of the hon. gentleman has expired.

SUPPLY

PROVISION FOR MOTION TO GO INTO COMMITTEE

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, with leave, and following consultation with the house leaders, I should like to make a motion in order that we might have on Tuesday and Wednesday of next week a supply order for consideration by the house.

Mr. Deputy Speaker: Order. Does the house give unanimous consent to revert to motions?

Some hon. Members: Agreed.

• (6:00 p.m.)

Mr. MacEachen: Mr. Speaker, I move:

That, notwithstanding the provisions of any provisional or standing order, Tuesday and Wednesday, May 23 and 24th next shall be appointed for the consideration of the Order for House in Committee of Supply for the purpose of moving "That Mr. Speaker do now leave the chair"; and

That on Wednesday next, unless previously concluded, the proceedings on the said order shall be disposed of as follows:

(a) At 4.15 o'clock p.m., the question shall be put on any amendment or amendments then before the house;

(b) At 6.00 o'clock p.m., the question shall be put on every question necessary to dispose of the main motion; and

That, upon the adoption of the said motion, the house shall forthwith resolve itself into committee of supply and there shall be no restriction on the number of departments to be first taken up and entered for consideration on this occasion except as provided in paragraph 5(b) of the second report of the special committee on procedure as adopted by the house on April 26, 1967; and

That the consideration of private members business be suspended on Tuesday and Wednesday next.

Motion agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A to inform the house that the questions to be raised at ten o'clock this day are as follows: the hon. member for Sherbrooke (Mr. Allard), federal-provincial relations—agreement between Canada and Belgium; the hon. member for Lotbinière (Mr. Choquette), external affairs—Quebec—status of the Canadian ambassador to Belgium; the hon. member for Kootenay West (Mr. Herridge), water resources—reported agreement to establish national advisory council on pollution.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Brand.

Mr. Speaker: I understand that the hon. member for Kindersley (Mr. Cantelon) whose time had just about expired when we adjourned at six o'clock, would like the consent of this house to pursue his remarks a little longer. Is that agreed?

Some hon. Members: Agreed.

Mr. Cantelon: I should like to thank hon. members and I assure them I will take only a minute or two.

I wish to close my remarks by making a few comments upon a situation which ought to concern all Canadians. It ought to concern them because we all want to take pride in our national capital. Across the river from our

parliament buildings lies the plant of the E. B. Eddy Company. It is a modern plant and it is becoming more so as its operations are updated. No one will deny that the company has made laudable attempts to beautify its area, but it is certain that these efforts will result in only limited success. Piles of logs and industrial buildings cannot be turned into things of beauty.

There is only one solution as far as I can see, and that is to move the plant. This is not impossible though it would be expensive. I believe we ought to accept such an expense if we consider that this nation of ours has a future. The immediate question is: what will it cost? My inquiries have obtained the following answers. The plant is worth about $40 million and the 80 acres on which it is situated are assessed at approxiamtely $250 million.

Let us say, then, that the relocation of the plant might today cost the Canadian people about $300 million. If we leave the plant where it is until some time in the future when, I am certain, we shall decide that it must be moved, it would cost a great deal more to do so than it would cost today, besides leaving us for many years with what I was about to call an unsightly sight—perhaps that expression is a little too Irish, but I shall use it anyway—across the river from our beautiful parliament buildings.

We ought to move it, and we ought to do so before the area becomes so crowded and so valuable that to do so would cost the people of this country a great deal more than it would today. Here is a case where Dr. Durie's definition of pollution to which I have previously referred fits very well. This plant discharges waste into the Ottawa river. It discharges gases into the air which, fortunately for the Ontario side of the river, are generally swept away by the prevailing wind. Even more important, it occupies an area which should be beautified for the nation. Those of us who have any aesthetic sense at all are convinced, I am sure, that this building must be moved out of Hull.

Because I say this, I do not want anyone to consider for a moment that I do not realize the practical difficulties. There are thousands of people in Hull who work at this plant. Their rights must be protected, and they can be protected if this plant is moved a few miles down river and good roads are put in so that they can travel easily to work. They might even find it easier to get to work than they do now; so there need be no real hardship to workers.

Will the government do this? I am sorry to say that I doubt it. There may be some hope, however, for there seems to be talk of a National Capital Commission study of the project, and the Minister of Public Works (Mr. McIlraith) had some things to say about the plans of the commission for beautifying this whole area. I hope we can begin with a study of the suitability of moving the plant. I am certain that if we can go that far, then in the not too distant future another government, if not this one, will take the final step and move the plant out of the environs of Hull and the immediate area of the capital of this nation. I hope it will be done sooner, not later, for the benefit of all our people.

Mr. Herridge: Would the hon. gentleman permit a question?

Mr. Cantelon: I am sure the hon. member realizes that my time is used up.

Mr. Herridge: I think Mr. Speaker will be lenient. The hon. member has talked a great deal of common sense. With reference to the pollution of the Saskatchewan river, does he know that his leader, when in opposition, introduced a bill in the house to correct that situation, and did so repeatedly for a number of years? When he became prime minister I immediately adopted the bill and moved it for nine years thereafter. But no action was taken.

Mr. Churchill: Perhaps you should not have adopted it.

• (8:10 p.m.)

[*Translation*]

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, at the outset, I should like to offer to His Excellency the Governor General my respects and those of my electors who repeatedly asked me to do so at the first opportunity.

Like everyone else, I listened carefully to the mover of the address in reply to the speech from the throne, the member for Burin-Burgeo (Mr. Jamieson). He did not surprise me, since I have known him for several years through his association with radio, in which I am personally interested. He did not disappoint me either, because I noted that his thinking was full of good common sense, thorough experience, and a certain independence of mind that I find comforting when I see him in the ranks of a party which should be strictly disciplined and organized.

The seconder (Mr. Côté), who is from the constituency next to mine and was even at

one time an organizer of mine, did not surprise me either, for I realize the tremendous amount of knowledge he has about agricultural problems. He even scandalized some members, Mr. Speaker, because he was accused of making somewhat partisan remarks. I say to those who blamed him for that: Let the one who never sinned throw the first stone. Surely it is not from the Conservative side that stones can be thrown. Besides, he spoke with some reservation, which is to his credit, and it is an edifying experience for me to see a young farmer leave the green pastures of his farm and the peaceful company of his cattle to come and find himself, all of a sudden, in this chamber discharging so brilliantly the responsibility his superiors entrusted to him when he was asked to second the motion on the address in reply to the speech from the throne. So, I congratulate him.

I take the liberty, Mr. Speaker, of making two digressions. The first one is to congratulate the leaders of the two great parties on the tone of their speeches. The Leader of the Opposition (Mr. Diefenbaker) said that it was the spirit of the centennial. Well, it is to his credit if he felt that in the spirit of the centennial he had to show a little less pugnacity, and I think that the Prime Minister followed suit in very edifiying manner.

The second one is to thank the Minister of Labour (Mr. Nicholson) for granting us, after months and months of representations which threatened to become brutal, and one night I practically lost my temper, for granting us, as I say, the simultaneous publication of the French version of the *Labour Gazette* which, for two months, has been published almost at the same time as the English version. And I thank him not only in my name but in the name of all labour movements which, for months and years, have been asking me to make certain interventions. I realized the problems in this direction, but he found a solution over which we are rejoicing without claiming a victory. This is simply another proof of co-operation which, I think, is to the credit of the Minister of Labour (Mr. Nicholson).

Mr. Speaker, my remarks, which I will keep as brief as possible, may seem to some of my colleagues as if I were blowing my own horn, because I will be dealing with something of concern to me. I hope it will be understood that if I do so, it is because it might be helpful in opening new vistas to those among us whose vision is necessarily limited by party discipline at a time when our viewpoints should be aired and when things change so rapidly.

A few days ago, I read in a magazine called the *Canada Month* a statement by a young Liberal member, the member for Notre-Dame-de-Grâce (Mr. Allmand) who wrote something like this, and I quote him textually in English to avoid any misrepresentation:

[*English*]

I don't like labels; I don't want to be branded under a label. I would rather have people take my political beliefs and examine them on their own merit, rather than say "He's right" or "left" or "a Liberal" and then examine them under that light.

[*Translation*]

Mr. Speaker, I find it edifying to see that a young Liberal, newly elected to the House of Commons, can express such "in" opinions, as one would say today, at a time when he will probably need all the condescension and support of his own party. This, in a way, reflects my own feelings. I want to speak of this tonight, Mr. Speaker, because in the sixteen months I have been sitting in this house, I have been reading in all sorts of newspapers in my province that the independent member for Trois-Rivières is about to join the Liberal party, that he always votes with the Liberals and that he has probably committed himself to the Liberals.

For some years now, newspapers have stopped publishing serial stories that were popular at one time. But certain journalists sometimes write their own serial stories and forget to consult the persons concerned, thus imputing to them motives of all sorts.

Therefore, I would like to throw some light on those matters, if only to explain certain interventions. It is generally believed in our country that someone who is unaffiliated to the party in power must necessarily be in the opposition and put grit in the bearings. If I was elected in my riding, it is because I declared myself an independent. And I want to say it loud and clear this evening, because several of my colleagues do not seem to understand that.

Among other things, I remember some sharp remarks made by the hon. Leader of the Opposition in my direction a few weeks ago, when he said: The independent member for Trois-Rivières is as independent as he wishes to claim, but that is all. Well, it is because I was elected at home, by Conservatives and Liberals to whom I said: I am going to Ottawa with my own experience,

not to fight against the government in power, but to co-operate with it as much as possible; whether it is Conservative or Liberal, I will endeavour to co-operate, so that we may not be compelled for finicky and childish reasons to hold an election every six months or every year.

Therefore, I am fulfilling the promise which I made to my constituents. It happens that I am co-operating with the Liberal party. I frankly admit that it seems to me infinitely easier, for me at least, than if I had to co-operate with the Conservative party which is now experiencing a disintegration period. I am not glad about it, because it had a good record and I hope it will recover. However, I tell you quite simply that it is easier for me to fulfil that promise made to my constituents during the last election.

I then promised to co-operate with the party in power for the good of the country, because non-confidence motions as well as elections in my opinion, are three quarters of the time, if not nine times out of ten, a waste of time.

• (8:20 p.m.)

I am among those who would recommend that the length of a parliament be fixed at four or five years and that votes of confidence be limited to very rare occasions.

Mr. Speaker, there is another reason why I decided at one time to run as an independent. It is the present rather delicate period of adjustment between Quebec and the rest of Canada. I am a Canadian and proud of it. I am also a federalist, sometimes I say I am an eleventh hour federalist, but one nevertheless. I should like to be completely free to study the conflicts which may arise between the government of my province and that of my country, so that I may take a position which does not depend on my political affiliation.

Mr. Speaker, I will go even further and say why I decided one day to stand as an independent, when I had fought before under the Liberal banner. Those who, in this house, have been active in politics for some years, will remember that I travelled through all the cities of the province and that I have been active in the Liberal party with all the vigour and the means available to me. I had voluntarily offered my services at the time without being solicited or promised anything, and it is of my own free will and by principle that I decided one day that I would be once again what I had always been: an independent.

[Mr. Mongrain.]

I never swore that I would always remain independent, but I promised my constituents and myself that if ever I changed my allegiance, I would do so through convictions and principles, and you will understand better after a while, when I finish explaining what I mean.

First of all, Mr. Speaker, I believe I was right in running as an Independent, because my electors seem to like it better; in fact, every time I ran as an official Liberal candidate, I was rejected, whereas when I ran as an Independent, I was elected with a substantial majority. This, I think, is a good argument, if it is true that *vox populi* is *vox Dei*.

I also have another more personal reason. In my province, we have a saying: "Once bitten twice shy". I am greatly disappointed by the old political parties, Mr. Speaker, and to be fair to the Liberal party, I should say that this disappointment occurred mostly with the provincial Liberal party which, at that time, was a siamese twin of the federal Liberal party.

Fortunately, a separation has been going on since that time, and I think it will be beneficial to the two parties, at least I hope so, but until it is completely achieved, I believe I am still under the influence of this disappointment arising out of my allegiance to the Liberal party. I would not wish the Conservatives to think that I would have been happier with them; I think this is a case of the lesser of two evils.

In the 16 months I have been sitting here, I have supported the government. I think I have supported them loyally every time I could do so; a few times, I voted against the government, but most of the time, I voted for them, and I still think it was my duty, because I do not believe it would have been beneficial to my province and my country if I had hindered or obstructed those who currently lead the government and who are trying, according to their conscience, to do their best in difficult circumstances.

Coming back to what I was saying, if I made the decision to become an Independent and to act as an intelligent Independent, it is because I was betrayed brutally by the Liberal party at a time when I was the official candidate of the Liberal party elected by regular conventions. I will not give the details to avoid taking too much of the time of this house, but I should simply mention the conventions which preceded the 1953 and, I think, the 1958 elections.

I realize that, at a time when it was claimed that the party was being democratized, certain powers behind the throne carried more weight than the duly elected representatives of the people. They seemed, thus, to poison the minds of the leaders of the party and mislead them into the defeats which we have suffered.

Mr. Speaker, I would still add that I have the distinct impression that the situation has improved in recent years. I have confidence, especially, in the leadership of the hon. Minister of Manpower and Immigration (Mr. Marchand) who strikes me as a realistic politician.

Some hon. Members: Hear, hear.

Mr. Mongrain: I also decided to be an Independent because the former Liberal party —once again, this applies more to the provincial party—betrayed those whom it had asked to go and extol the Liberal gospel. It had promised them things which were not delivered once they were in power.

I apologize for merging the two parties, federal and provincial, into one, but at that time they were siamese twins. For instance, it was clamoured that the party would be democratized, and I find today that it was nothing but camouflage at the time.

This is evidenced by the fact that they talked about democratization in 1955, 1956; and, in 1967, they talk about beginning to democratize the Liberal party. Here I say that there remains progress to be accomplished in the federal Liberal party, because there are still too many candidates who are imposed directly or indirectly, and too many candidates who, after being democratically nominated, find themselves abandoned directly or indirectly. You will understand what I mean: they can abandon a candidate nominated at a convention by cutting out the funds, for instance, during the election campaign. And there are still too many Liberal associations which exist but on paper or which, if they do exist actually have no power whatsoever, nor anything to say. And that matter of election financing is still used too often to muzzle the people who would have something to say even in caucus.

Therefore, I feel that it is definitely one of the tasks, at least of the provincial leader of the Liberal party in my province, to try to complete that rejuvenation, that renewal within the Liberal party, if he wants to deserve the confidence of those who fought for it in the bad years when it was not always interesting or profitable to do so.

There is another reason which makes me hesitate to join the Liberal party. And I would like my Liberal friends who are listening to me to understand that whoever spares the rod spoils the child. I do not want their destruction but I want to use my status as an Independent to say openly things which are whispered.

The fact is that there seems to be a lack of confidence in the Liberal party, toward its own members. The federal Liberal members are left to be called weaklings, with $18,000 per year, and no one protests. The provincial minister of justice, in Quebec, may call federal justice authorities anything you can imagine. No one seems willing to defend those people.

Party leaders are recruited outside the structure of the party, as though it was believed that none of the members who were elected by the people in the province of Quebec were competent enough to assume responsibilities within the party. And backbenchers or young men, young in age or mentality, are condemned to a kind of idleness, of muteness which eventually bores them and prevents them from playing the part they could in society.

If the people in the Liberal party do not even trust their own members, those like me who tend to be independent will continue to hesitate before binding themselves to the Liberal party.

Mr. Speaker, I would have many more remarks to make on that subject, but I do not want to search the whole conscience of the Liberal party tonight. I want to leave some for the Conservatives and the third parties. However, I shall simply add this: beside that, it seems to me that the program of the Liberal party has been improvised. Those considerations in the field of federal administration seem to be a kind of trip to nowhere, where one goes and borrows from the third parties what seems to be good. And I should like some day a book to be published which would include a consistent, comprehensive and complete program about the objectives of the Liberal party, so that we might know those who are already registered in the party or those who, like others, consider taking an active part in the party, know exactly where they are going, so that they may not be forced to accept those things which seem a little too much like an improvisation.

There are certainly other questions which shock me like many others, or at least surprise me to avoid any exaggeration, because I do not want to resort to demagogy in what I say here—but for instance the stand taken by the Liberal party with regard to Viet Nam, is something that I do not quite understand. I realize that international diplomacy has its requirements which are not very clear to us, the laymen, but to me there seems to be an incomprehensible inconsistency in the fact that we allow the sale of arms to a belligerent country at the very time we are trying to act as peacemakers.

I think that our influence in Rhodesia would raise some doubts. I do not have the time to elaborate on those matters, but I simply want to complete my search into the conscience of the Liberal party by mentioning that it is not that story which I recall since 1952 and which turned the convinced and active Liberal I was into an Independent who is asking questions with regard to the philosophy and the executive of the Liberal party.

• (8:30 p.m.)

I would merely like to recall that during the last federal election, a Liberal minister came to my constituency to stand up for the two organizers of impersonation who, the morning after, pleaded guilty and were properly sentenced by the courts while I was appealing for honest elections.

If I mention this, it is not to upbraid my friends of the Liberal party but to tell them openly what many people think and to make them understand that if they are now winning in the province of Quebec, they are doing so by default, because the Conservative party is not ready for elections and the other parties lack the necessary framework, organisation and perhaps also a platform set out so as to be understood by the people.

Maybe the future is holding surprises in store for our Liberal friends if they are today without friends to remind them of the deficiencies of their party.

I now come to the Conservatives. Mr. Speaker, the Conservative candidates in my riding and the surrounding area made a terrible blunder, in my opinion. They were ashamed to show off their party leader.

However, experience teaches us that they should have produced him, because the former member for Nicolet-Yamaska did so in Sainte-Perpétue; besides, that is what is known as the miracle of Sainte-Perpétue. In the other ridings, the leader of the Conservative party was camouflaged; they were ashamed to show him off and they were defeated.

I think that is another weakness, and I mention that not in order to humiliate the Conservative party but to remind ourselves again that our two great parties have played a role in confederation for the past one hundred years. They have adopted progressive measures, and I think that they should be reorganized in the interest of the country. However, they will not serve Canada if they disintegrate through cases of flagrant misconduct such as I mentioned earlier.

In my opinion, the leader of the Conservative party is a politician who deserves respect, for he is brave, a man of energy and personal integrity and a keen worker. But his time is obviously past and he should retire today quietly without waiting for his supporters to stab him in the back, as some have already started doing.

In that connection, I merely wish to give them an example showing them that if they do not change their method, they will not survive in the province of Quebec. In the case concerning my riding, their candidate organized a convention, after a secret agreement with one of the organizers, in a matter of 24 hours. He tried to abuse the Conservatives' good faith, with the result that the Conservatives who usually got 15,000 or 16,000 votes, woke up with four thousand and a few hundred votes and a lost deposit.

Mr. Speaker, I urge our Conservative friends to lose no time in reorganizing themselves to continue being useful to the country. For that they will have to rely on what are commonly known as back-benchers, the younger members, not necessarily the youngest in age, but those who remained young in spirit, who understand the national problems as one should understand them in 1967 and consign to some areopagus a few of their old dodderers who have become some sort of fossils and prevent others from being useful within their party and in parliament.

I may appear cruel, Mr. Speaker, but I believe it is the only way to say such things. Otherwise, you will have third parties that will soon come to take the leading role and if they have not enough members to manage the affairs of the country, they will have enough anyway to control the government.

I must now say that I personally believe the party with the most complete, most comprehensive and most sincere program is probably the New Democratic Party. And do not think for a moment that I am necessarily becoming a member of that party. But I believe the truth must come out.

I have considered the various programs and I still do. Some say that the members of the New Democratic Party are socialists; it is possible. What does it mean, a socialist, in 1967? That is a question we should ask ourselves. My concern over our friends of the New Democratic Party is that they seem to suffer from excessive control by the big bosses of the labour movement. They do not seem to understand that there is a difference between the orders of the big labour unions and the needs of their members. Another concern I have is their relentless defence of spies, prisoners, unreliable people, unwarranted immigrants and I think they are wasting precious time which should be better spent, on normal preoccupations, that is to say the social welfare of the people.

I think that another of their weaknesses is that they should have a clear definition of their objectives in this socialization they promote, their purpose, the extent to which they will socialize and nationalize and also what they will nationalize. Further, I think they should mostly try to project in Quebec a clearer image than they are now projecting for it is quite unclear, and mostly prejudiced and misunderstood.

What about our friends the Créditistes? We are used to taking them lightly. As far as I am concerned, I believe they are sincere people who deserve to be heard and listened to. They are great workers. They may be excessively insistent on their aim of reorganizing the financial structure and they fail to explain adequately what they would do if they achieved a financial reorganization. They may also lack a complete program. This may be. Nevertheless, to my mind, and I am saying this most objectively, they are playing a useful role in this house and we should all go to the trouble of listening to them. I do it because I stay here as long as I possibly can, and I try to determine what is serious and what is not in what they bring up.

In closing, Mr. Speaker, it will be guessed that a newspaper made a remark when it claimed that I had decided to join the Liberal party again. I am still in the position of a citizen watching developments; I am still in the position of once bitten twice shy. My mind is open to the Liberals as well as to the other parties, but have been elected as an Independent and I intend to end my term as an Independent.

After having somewhat examined the old parties by auscultation—and this may seem pretentious to some of my colleagues who should understand that there are few in this house who can allow themselves to speak as freely, at least not my two Independant colleagues because they seem to be prejudiced, which I am not since I praised all parties, Mr. Speaker—I would say that what is urgently needed, because I believe it behoves the old parties to do so, is a speedy reorganization of their members in a democratic way, the delegation of more constructive business to those who are considered young, even though perhaps not in years, and who are called the back-benchers. The old parties perhaps could also refrain from childish play, such as those interminable debates on the flag, the unification, the Munsinger affair and the Spencer affair, and others.

They should also hurry up and publish a consistent program that does not change every six months or every year, a comprehensive program on the basis of which people can tell the difference between a Liberal and a Conservative, if there is one, and which would make it possible for those who want to vote, and those who want to militate, to know where the old parties are going. Otherwise, people will continue leering at third parties saying: We have nothing to lose, the situation is so bad that we will try something new.

Besides, my advice to both parties is free. I do not charge anything for the consultation, and this is something. In fact, they did not even contribute to my election fund—and that is already something.

I conclude by reminding the minister that I represent a riding which is located in the very heart of Quebec and which is one of the most French cities in North America. I conducted a survey recently on certain matters and the results will be known next week. The compilation will be made by a committee.

And I would remind the Minister of Transport (Mr. Pickersgill) in particular that there are deplorable situations in my area which are yet to be solved, such as that night train between Montreal and Quebec that we asked for to promote Expo and which the Canadian Pacific will not give us. They are so extraordinarily unyielding on this that they do no longer reply to the letters sent to them because they find us too persistent.

I would also point out that the port of Trois-Rivières needs redevelopment in order to expand further, since the plans have been changed because of the bridge being built.

• (8:40 p.m.)

I should like also to remind the minister that I have another complaint, two rather, about that matter at Baie Jolie where the engineers of the Department of Public Works or the Department of Transport spoiled, near Trois-Rivières, a summer resort area in which millions of dollars had been invested because on a distance of approximately one mile across from the beach some kind of Sahara desert which is absolutely worthless and unfit for anything has been created. Mr. Speaker, I cannot understand that engineers with any intelligence, supervised by senior officials and deputy ministers, take the liberty of spoiling scenery to that extent, in short to destroy, eliminate and make useless everything that had been invested there in the last forty years at least. Once again I ask the minister to intervene so that this situation will be remedied as soon as possible because it is a scandal throughout the region.

Mr. Speaker, I shall close by apologizing to my friends if they found my remarks pretty blunt. I think they are true. I shall even add that I said openly what many Conservatives or Liberals are whispering and are afraid of saying openly in this house, namely that the leaders of the two old line parties would be well advised to heed that criticism if they do not want to see before long the old line parties completely discredited and to witness the rise of aggressive third parties which have somethng concrete to put before the people.

Mr. Prosper Boulanger (Mercier): Mr. Speaker, it is naturally a little difficult for me to speak in this house immediately after my colleague from Trois-Rivières (Mr. Mongrain). He is well known for his eloquence and, although I do not agree with everything he said, it is nevertheless somewhat embarrassing for a newcomer like me to follow him.

In entering this debate, Mr. Speaker, I want as a member of the house to express our gratitude to His Excellency the Governor General for the way in which he has distinguished himself in the exercise of his duties since assuming his high office. May I express once again the great feeling of loss shared by all Canadians at the passing of our late Governor General, General Vanier. He was a truly great Canadian and his contribution to the unity of our country, which we are celebrating in this centennial year, cannot be too greatly praised.

[*English*]

I must congratulate my hon. friend from Burin-Burgeo (Mr. Jamieson) for his eloquent speech when moving the address in reply to the speech from the throne. Having visited his riding I know his electors are justly proud of their member of parliament. I note that he commented upon the fact that Newfoundland has been a part of Canada for only 18 years. However, in that short period of time it has sent many distinguished representatives to the house, and I think one of the highest tributes I can pay to my hon. friend is to tell him that his eloquence was such as to match that of our colleague, the Minister of Transport (Mr. Pickersgill).

[*Translation*]

To my colleague from Nicolet-Yamaska (Mr. Côté) I add my congratulations to those he has already received. An expert in agriculture, I am sure that he will make a great contribution to the House of Commons especially at a time when agriculture is finally receiving the consideration it deserves from the government. In this connection I think of the many bills passed at the last session and of the results that will be forthcoming from the task force mentioned in the speech from the throne.

I congratulate also all my colleagues in this house who have taken part in this debate and who have done it in such a progessive way.

I join with my hon. friend from Nicolet-Yamaska in congratulating our new Quebec leader, the Minister of Manpower and Immigration (Mr. Marchand). As a Quebecker and a French Canadian I am proud to be associated with him. As a Liberal, I am proud to serve under him. As a Canadian, I am proud of his great contribution to my country.

I must also congratulate the Prime Minister (Mr. Pearson) on his fine speech and I am looking forward to hearing another similar speech from him in the next throne speech debate or, rather, debates.

[*English*]

To the Leader of the Opposition (Mr. Diefenbaker) may I say that my delight in having heard another of his speeches is, however, tinged by sadness when I think of the centennial project of Mr. Camp.

[*Translation*]

A moment ago I mentioned the Minister of Manpower and Immigration. I join with him when he says:

As a French Canadian, I am celebrating the centennial of confederation because there is something to celebrate.

I am going to talk for a few minutes on some of the achievements of the past and some of my hopes for the future.

The hon. member for Burin-Burgeo mentioned the poverty that faced his riding before Newfoundland joined confederation. This threat of poverty was widespread throughout the then colonies in 1867. We have since built a country whose standard of living is envied by nations around the world. Poverty has been almost entirely wiped out. This is something to celebrate.

Here I want to pause, because I just said that poverty has been almost entirely wiped out. Alas, it still exists in some parts of the country. As long as it does, as long as some of our fellow-citizens live in conditions of deprivation, we cannot take total pride in being Canadians. The fact that the country as a whole is growing richer, the fact that the number of poor is diminishing does not detract from the urgency of the problem. Indeed, it makes it even more urgent. The fact that we have not used our great wealth to abolish poverty in Canada is a disgrace. It is as simple as that.

This government has done much to fight poverty. I am thinking in particular of some of the programs of the Minister of Forestry and Rural Development (Mr. Sauvé).

I must congratulate the Prime Minister (Mr. Pearson) for his proposal of a study on the possibility of a guaranteed income for every Canadian. But more remains to be done. We have the capacity. Everybody knows that. Let us use it. The elimination of poverty in Canada must be our first priority and perhaps it should also be our greatest Centennial project.

I turn now to the matter of the constitution. Of course, I am not an expert in such a field, but nevertheless my few years of experience with the constitution allow me to utter a few words about it. One must however admit that the constitution has, over 100 years, served us very well. We have progressed from a small colonial federation to a great independent nation, the senior member of the Commonwealth and a potential founder of "la francophonie". Despite many disagreements, we have become what we are by using our constitution. However, there is no doubt that constitutional revision is necessary. After all, it is only natural that a document written in 1867 might need some changes in 1967.

The question is how can these changes best be agreed upon. We are unanimous in this house, except for the hon. member for Lapointe (Mr. Grégoire)—and perhaps the hon. member for Sherbrooke (Mr. Allard), about whom I am not so sure—that we want changes that will strengthen Canada.

• (8:50 p.m.)

Before bringing about these changes, we must study carefully all the possibilities and then decide on which are best. Studies take time, it is true. I also feel that they are not dramatic, which is also true. But the fact remains that they produce concrete results.

Let us ask ourselves what would be gained by calling together some great conference. What would be its probable results?

I for one, Mr. Speaker, think that first of all, it would make headlines every day it met. Differences of opinion would be magnified to look like gulfs—this is what I fear—that could not be bridged. I doubt if such an initiative would strengthen national unity. You know that the Prime Minister has already likened such a conference to a National Estates General.

I do not need to tell you what the result was of the last Estates General that were called to draw up a constitution. And I ask every member in this house: Is there an hon. member who advocates revolution?

Mr. Speaker, if I may shift slightly from the constitution, I should like to speak for a moment on what I consider to be the greatest achievement of confederation: that is the harmonious relationships between the two founding races of this country. While the tensions of the last few years have been overemphasized—there have been tensions indeed—I say that the policies of the Prime Minister have been such as to ensure the future harmony between the two founding races. Our achievement makes me proud to be a Canadian.

But it also augurs well for the future on a much wider scale.

My colleague from Burin-Burgeo has spoken of the tremendous impact of what can be called the communications revolution. One of its results, as we all know, has been the growing interdependence of nations. National boundaries mean less than they used to and

world federation has become a distinct possibility and not merely a pipe-dream. The successful relationship between the various groups in Canada may very well be used as a model for a future world community.

This is a year, Mr. Speaker, when there is much to look back on and also much to look forward to. I think immediately of the tremendous success of Expo '67 which is due to the close co-operation of the last two federal governments, the last two Quebec governments and, at the same time, to the tremendous municipal government headed by mayor Drapeau and Mr. Saulnier, that is the government of the city of Montreal.

It shows what Canadians can accomplish by mutual co-operation. But more important, Expo seems to be a model of the future. Its distinctive architecture, the technological exhibits, the beauty of its open spaces, of Habitat '67 show what tomorrow will be like. It shows a world where materially speaking life will be rich, and the standard of living very high indeed. After all did not Laurier say that the twentieth century belonged to Canada?

Because I am talking about the future, I think of the throne speech. Normally, a throne speech is criticized for being behind the times, for dealing with yesterday's problems and not today's, for not even anticipating those of tomorrow.

Well, Mr. Speaker, the throne speech we are now debating is being criticized for looking too far ahead.

I believe that this deserves praise rather than condemnation. The present government is not only facing the problems of today, but it is planning for the future. It was about time a government took the lead instead of following in someone else's footsteps.

I congratulate the present government. There are measures which deal with broadcasting and agriculture. I will not go into them because they were so well covered by the mover and the seconder.

The speech of the throne provides for programs dealing with the pressing social problems of today. The problem of housing is critical today. The Prime Minister mentioned that measures in this regard will be taken in co-operation with the provinces. For too long, the right of property has been interpreted in a very narrow sense, that is the right to maintain the property one already has. This right must be broadened to mean the right of every family to have a decent home. Much has been done in this respect in the past few years but much more remains to be done. I am looking forward to the measures that the Prime Minister has assured us will be taken as a great step towards this goal.

I welcome the steps that the speech from the throne mentions with regard to the gathering of scientific and technological information. We must not allow the communications revolution to pass us by. I shall say no more on this subject, for it has already been outlined. However, I would like to deal with a matter which concerns me deeply, that is the appointment of a department of corporate and consumer affairs? The consumer needs protection today, especially because of the new techniques adopted by advertisers. The new department will deal with the protection of the public in a most important way.

I am interested also in the division of the department regarding corporate affairs. The Prime Minister has talked of the need to eliminate the secrecy that prevails in corporations and I agree with him 100 per cent.

Mr. Speaker, I do not like to see minor governments operating on the fringe of governments. I worry about the policies of large corporations which seem to reward the privileged few at the expense of those who have talent. I hope that the new department of consumer and corporate affairs will work to remove the obstacles to the progress of Canadian society.

The throne speech also mentioned the need for planning urban development. I sat during a number of years on the city council of Montreal. We heard about town planning for many years in Montreal.

I have read lately that experts can see one city stretching from Quebec city to Niagara Falls. If this is inevitable, we do not want to see that giant city develop in a haphazard manner as happened in the past.

The Prime Minister has described the type of city he would like to see. This requires planning and I am happy to see that it will be started soon in co-operation with the provinces which have prior but not exclusive jurisdiction in these matters, and this must not be forgotten.

Personally, I can see the effects of urban development in my own riding and my hope is that the development will be orderly. What is more important and it cannot be stressed too highly, is that priority must be given to enhancing the living standards. I repeat, Mr.

Speaker, priority must be given to the living standards.

The Prime Minister has mentioned the possibility of enshrining a Bill of Rights in our constitution. Mr. Speaker, I am far from being an expert in constitutional matters, but I can still talk about them and say that everyone in this house is I am sure in agreement with the proposal of the Prime Minister. However, I should like to say what type bill of rights I want to see embodied in the constitution. That Bill of Rights would protect more than just the fundamental rights of freedom of speech, freedom of association, freedom of religion and other such rights. The rights I should like to see protected also may not be able to be enforced immediately, but must be enforced as soon as possible. These rights belong to what my hon. friend the Registrar General of Canada (Mr. Turner) has called an economic bill of rights. That is the expression he used, his very words.

Every Canadian must be ensured the right to work, the right to leisure, the right to re-training if his job is made obsolete by automation, the right to a decent home, the right to a decent standard of living. It is a question of thinking about it, of facing reality.

These are rights which are as essential in our society as the basic human rights that I mentioned. As a matter of fact, the basic rights mean little without the new economic rights.

The right to starve, the right to live in conditions of deprivation, are not rights that Canadians should enjoy. That is why the government must protect economic rights as well as human rights.

I look forward to the day when such a Bill of Rights is part of our fundamental law and may I say that the social measures that this government has been responsible for have considerably advanced that day.

I talked earlier about the high standard of living Canadians as a whole have achieved. Looking back on that, I can only say that there is no reason why Canada cannot become the first country in the world where the rights that I have outlined are part of our everyday life.

• (9:00 p.m.)

[*English*]

The right hon. Leader of the Opposition (Mr. Diefenbaker) has said there is nothing for youth in this speech from the throne. I do not like to disagree with my right hon. friend, and I hope he will pardon me for doing so in this case.

[*Translation*]

Everyone agrees that the youth of Canada is our greatest national resource. For these young people, the leaders and the workers of Canada tomorrow, what better move could be made than to solve problems that they would otherwise face tomorrow?

For example, automation continues to make some jobs obsolete. The throne speech previews measures that will be taken to improve existing re-training facilities and to help workers who have to move to different areas for new jobs.

This problem is a problem not only of today but also of tomorrow. Measures that are taken to solve it are measures that help the youth of our country.

The throne speech mentioned that there will be an increase in foreign aid this year. This is a welcome announcement and I hope that, this time, increased use will be made of the Company of Young Canadians as part of an expanded foreign aid program. This will give our youth an opportunity to serve, so to speak.

What else is in the throne speech for youth, Mr. Speaker? I mentioned a moment ago the emphasis laid on urban development planning. The youth of today will be living in the cities of tomorrow and if they can become what the Prime Minister has suggested, then surely youth today will have benefited from the measures outlined in the throne speech.

The criticism has been made that the university scholarship program to which the Liberal party is committed has been left out of the throne speech. Perhaps it has, but as the Prime Minister has said, all government legislation is not included in the throne speech.

The Liberal party remains firmly committed to the scholarship program and I hope to see it implemented at this session of parliament I have mentioned many programs for the future, all of which must be planned in some degree if not in entirety by government.

Everyone knows that government becomes more and more complex. The work of parliament becomes heavier and we also know it. This means that we must adapt our institutions to changing conditions or see the institutions destroyed. We must expedite the work

of parliament without taking away the rights of the opposition. I fully agree and I am sure that we all think the same way.

There is no question of taking the rights of the opposition away. I hope that the all party rules committee which has been created will come up with proposals which will bring the rules of the House of Commons into line with the needs of the House of Commons.

Before concluding my observations, Mr. Speaker, I should like to echo the remarks of my hon. friend from Nicolet-Yamaska about the pride he felt at the opening of Expo when the Canadian flag was raised.

I shared his pride at the time, Mr. Speaker, not only at being a Canadian but also at being fortunate enough to have the opportunity to serve under the right hon. Prime Minister.

I thought about how fortunate Canada has been in the leaders she has had in the past, regardless of their political affiliations. Hon. members, especially the Conservatives, will probably agree with me that no man other than Sir John A. Macdonald could have created confederation in the way he did.

It must also be recognized that only Mackenzie King could have led Canada in time of war without allowing a conscription crisis to tear us asunder. It should also be said—

[*English*]

The present Prime Minister (Mr. Pearson) is the one man who was capable of keeping this country together in the last few years, the one man capable of creating the social revolutions that we have been going through since April 1963, the one man capable of leading us into the first phase of our second century as a nation.

[*Translation*]

Finally, Mr. Speaker, I ask all members of the house to join together to make this centennial session of parliament the most productive in Canadian history, the one that will have done more to raise the level of Canadian life than any other, the one that will have done more for more citizens than any other, in short, the one that will celebrate the centennial of confederation by making every citizen of this country capable of holding his head high and saying: I am proud to be a Canadian; je suis fier d'être Canadien.

[Mr. Boulanger.]

[*English*]

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I appreciate the opportunity to enter this historical debate, having spent some months in preparation for such an occasion. However, the length of time occupied by my discourse this evening will not be long.

At the outset I would join with others in congratulating the mover and seconder of the address in reply, the hon. member for Burin-Burgeo (Mr. Jamieson) and the hon. member for Nicolet-Yamaska (Mr. Côté). The topics they chose were important ones, and their eloquence measured up to the responsibilities that they accepted.

I should like to discuss some features of the speech from the throne. It does not say much about the financial and monetary policies of the government, and we of the Social Credit party wish that it did say a little more. At the moment, Canada is in a somewhat brightened situation as far as credit and money supply are concerned, but I would warn the house that already the storm signals are out. This morning's Montreal *Gazette* carried a column headed: "Is the economy moving once more toward monetary restraint?" It seems, Mr. Speaker, that we cannot go very long without a tightening up of the money supply, and we have only to remember the severe tightening that took place during the winter months. The Bank Act was passed and the money supply seemed to ease somewhat. I trust this article means there is not an election in the immediate offing, though I submit that it does mean that there will be one some time in 1968 and that a tightening of the money supply toward the fall and winter of this year will allow for subsequent expansion to coincide with political demands. I am afraid that it will be a long, long time before our monetary policy functions separate and apart from the political demands of the moment.

I was happy to see in the speech from the throne that the government will move to broaden the scope of the area development incentive program. I trust that when these words were written into the speech from the throne one of the broadenings that the government had in mind was to allow for an extension of this program to allow for development in the tourist industry. Coming from the province of British Columbia, Mr. Speaker, where the tourist industry is the second most valuable industry at the present time, I believe the time is long past when it

should receive more consideration than it has been receiving from so many federal statutes. I cite, for example, the Veterans Land Act and the area incentive program, which operate as if the tourist industry had never been heard of or, if it existed at all, was not worthy of either assistance or commendation. We in British Columbia know that this is now a long standing industry, a permanent one, and that it will shortly be the most important industry we have. It is time that this industry was recognized, and I hope that the section of the speech from the throne dealing with this subject is an indication that it will now be recognized.

I am also happy to see that a special study of the needs of urban development is going to be made. I hope that the study will be a rapid one and will be quickly translated into action. Certainly our present legislation dealing with urban redevelopment sorely needs rewriting. As the situation stands now, it is necessary for a section of a city to degenerate into an absolute slum before the machinery which provides federal assistance can swing into action.

At the present time it is probably more in the financial interest of a city to let an area that is degenerating go all the way to ruin than to move on their own, part way along the line, and attempt to rebuild. I trust that when legislation to deal with this subject is brought in it will enable the federal government to step in to prevent the degeneration of urban areas, and allow the hearts and cores of our cities and towns across the country to be reconstructed and rebuilt, as a better alternative to construction of new buildings on the outskirts, as happens at present. I know that the city of Vernon is interested in this proposed study. It hopes that the subsequent legislation will permit its most imaginative program to go ahead. The city of Revelstoke has also done work in urban redevelopment. Any change for the better in this area would be beneficial not only for my constituency, but also for the nation.

• (9:10 p.m.)

I was happy to see that the Farm Credit Act is to be revised to enable young farmers to benefit. Perhaps the government might also consider revisions to legislation dealing with death duties. It is useless to give a young farmer a good start if he is to be interrupted in his work by the death of his father. The Carter Commission recognized this problem and recommended that we go part way toward a system that will ameliorate the lot of those businesses and farm operations that are affected by death duties.

The President of the Privy Council (Mr. Gordon) wrote a book about the takeover of Canadian industries by United States capital. When he makes his further studies into the matter I suggest that he look carefully into the part played by federal taxation, which has forced this development on many industries in Canada.

I am not enthusiastic about the proposed legislation that would set up a consumer affairs department. The government has not recovered from its last massive reorganization; the Department of Industry and the Department of Manpower and Immigration are still disorganized by the changes that were made a year ago. Though a young and able minister might head the new department we are not ready for it. The government knows what is happening in its departments. Most are short of staff, and one department cannibalizes personnel from another. Creating a new department will not help the situation. It, too, may encroach on other departments such as agriculture and finance.

During the past week we have seen some lack of cabinet solidarity, but we can look forward to much more if the consumer affairs department is created. It may come into conflict with the Department of Agriculture and the Department of Trade and Commerce. Co-operation between various departments may be difficult. I am convinced that it would be better to amend our taxation policies to allow people to retain more purchasing power, rather than pretending to defend them by creating special departments which will add to the tax bill and ultimately reduce available income.

I was pleased that the throne speech announced a balanced national broadcasting service. We have looked forward to that for a long time, and I trust that the government will keep its word and will bring in the long awaited legislation. I blanched, however, when I noticed that the service would be for Canadians of all ages, interests and tastes. I do not object to catering to all ages—and quite possibly broadcasting should cover a broad spectrum of interest—but I submit that in the realm of taste there are certain areas where the government ought not to be involved. It has no business providing a service for certain sections of the population—we have already gone too far in that regard. More important than any legislation will be

to secure men and women of balanced judgment and courage who would have the fortitude to withstand the demands that some people would inflict on the Canadian public, who would resist programs that are unworthy of the broadcasting system or of the nation, and who would have the courage to provide balanced news reporting of Canadian and foreign news.

To bring up a small point, last evening when the national televised news at eleven o'clock mentioned the nomination day for the five by-elections to be held there was not a single reference to the Social Credit party or to the Ralliement Créditiste. That sort of thing makes those of us in this corner of the house lose confidence in the balanced judgment of the C.B.C.

I am worried though by the Prime Minister's announcement that this house and its committees are to be televised. I know that the justification for this is that, somehow, it will be more democratic, that somehow it will be more democratic for the public to see what goes on in this chamber. I warn the members of the house and the public of Canada that they will be seen and will see through the eyes of individuals, those who handle the cameras and audit the programs—who will not be members of this house. We shall turn over to others a vast source of political power over which we shall exercise no effective control—except by ending the broadcasts.

Mr. Churchill: That is right.

Mr. Johnston: May I remind the house of the eloquent speech of the hon. member for Burin-Burgeo (Mr. Jamieson) who spoke of the power of television. We underestimate that power, and when we bring it to this institution we do not know what the effects will be. During the session we hope to legislate with respect to educational television. We move television into the classroom without knowing what we have done to that classroom or to the educational process. We know we have changed the process and changed it vastly.

We shall change this body by televising it, but we shall not necessarily make it a bit more democratic. I suspect that it will be somewhat less democratic, because the purposes of this chamber are debate and legislation, and not entertainment: And entertainment is the prime purpose of television. The throne speech with its inherent weaknesses was televised; its English has been criticized from end to end of the country; yet the one thing we do know is that the process of televising did not improve it.

• (9:20 p.m.)

Democracy is a tender plant and is disappearing from many countries of the world. It exists, in the main, in countries that are constitutional monarchies. That is why in Canada's one hundredth year I am glad that we are still a constitutional monarchy—that we have a Queen of Canada. I trust this situation will continue through the next hundred years and longer because although this may seem contradictory, it is one of the guarantees of the democratic process. When we have moved in all the features of modern technology and stripped away all the mystery and all the ritual from our parliamentary system we shall not have made it more democratic; we shall simply have made it duller in the eyes of the public and the public may decide to do without it.

If we waste time in this institution we do not waste it on the day the speech from the throne is delivered or on the days when we go for royal assent. We waste it in this chamber because we cannot amend our rules and procedures so that we may have the ritual, the dignity, the pageantry, the democracy and the legislation at the same time.

Democracy is, as I have said, a tender growth. We cannot be over-confident about its continued existence. We must be prepared to fight for it. It can suffer, as plants do, from too much kindness; it can suffer from overexposure. I suggest that all hon. members as we begin this second century should think carefully about the purpose of this representative institution of parliament, which until now has been our best guarantee of the continuance of the democratic process in a nation. Although we may feel sometimes that by going more directly to the people and by involving them somehow in the day to day activities of this house through television we are making this institution more democratic, I suspect that the opposite would be true. Only if we could televise every speaker in every section of the house every minute of our sittings might we make it more democratic. But we could not afford the bill, and I submit that the general public would not have the time to watch the proceedings.

I have found in my constituents and in others a measure of trust in the democratic process and in the people they send here to represent them. I think we should be happy to see ourselves in the capacities of debaters and legislators. We can be entertainers during

the campaigns or when we go home to our constituencies. Our job here is quite different.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): I wish to join others who have spoken in congratulating the mover and seconder of the address in reply to the speech from the throne. They made very imaginative speeches —perhaps I should emphasize the word "imaginative" because it takes a lively imagination to see a comprehensive legislative program in the speech prepared by the government.

There were a lot of words in it, containing high-sounding sentiments such as the following:

> With our forefathers the fight was against the immense odds of nature on our half of this continent. Today the main struggle is against social injustice, against cultural mediocrity, against spiritual stagnation and against all forms of intolerance.

These are high-sounding words, but, as I say, there is little indication of legislation to put them into effect. There are many contradictions in the speech but I wish at this time to draw the attention of the house to two examples only. In the speech the government said it would take special measures in particularly designated areas where human resources are not adequately utilized. In this connection, so the speech says, parliament will be invited to broaden the scope of the area development incentive program.

This would appear to indicate that the government intends to see that all areas of Canada are assisted in reaching their full potential. However, further on in the speech we read that parliament will be asked to pass legislation to assist Canadians to move from their homes in certain areas in order to obtain employment in other areas. I fully support the area development incentive program, which can be of great help to the prairies. But I do not wish to see the government concentrating on moving people from certain areas to find work in other areas. I believe it would be much better to help establish industries and manufacturing plants in areas where there is under-employment.

In this regard I wish to refer to the latest press release issued by the Department of Transport—I take this as an example since I believe most of the departments work on similar lines. It refers to contracts issued during the month of April; it contains four pages listing contracts which have been awarded—$22,000, $26,000, $18,000, $76,000 and so on. Contracts are awarded to firms in British Columbia, Alberta, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, the Northwest Territories and the Yukon. Nothing at all to Saskatchewan. I have noticed this time after time in departmental releases; there are no contracts awarded to Saskatchewan.

This situation is causing considerable concern in my area. I have a letter here from the industrial commissioner at Moose Jaw and he says:

> I am writing at the request of the Moose Jaw Industrial Commission to ask you to help us in our efforts to divert to Moose Jaw some of the contracts that are going to Eastern Canada.

He enclosed a copy of a letter he had sent to the secretary of the Department of Defence Production and I think I am at liberty to mention briefly some of his observations in the course of that letter. He wrote:

> I have been instructed by the Moose Jaw Industrial Commission to write to you to explore the possibilities of increasing the volume of business that is being done or could be done by Moose Jaw suppliers and/or factories...
>
> Our Industrial Commission can appreciate the importance of your placing orders for goods and services with firms with which you have had long association and most of which probably are located in Eastern Canada. However, a careful review of your records might reveal certain areas of work that could be, but are not now, performed in Moose Jaw.

The city of Moose Jaw is mentioned but there are other cities in the prairie region which are in a similar position. The letter goes on:

> Our city is centrally located to serve the needs of your Western Canadian Bases and, in particular, we are thinking of the Canadian Forces Base that is located here.

Then the writer indicates just what goods and services could be supplied by Moose Jaw should the department wish to place orders there. It may not be the fault of the department that contracts are not awarded to Saskatchewan. It may be that bids are not received from prairie factories. I think more emphasis should be put on the fact that factories in the prairies could supply many of these goods and services. It says:

• (9:30 p.m.)

> Internal combustion engines of all makes and sizes are being rebuilt in Moose Jaw for the commercial trade. This is one area that probably should be examined closely by your department and we would welcome your comments.

I might add that there is a very modern garment factory in Moose Jaw and I would draw this to the attention of the Minister of

National Defence. When it comes to making the new uniforms, the jolly green jumpers, for the unified services, the government will be spending millions of dollars providing these uniforms and I think it should take a look at the garments that can be produced by the Moose Jaw factory.

In the speech from the throne the government proposes changes in the rules of parliament, changes that will limit debate, in other words imposing closure. It is no less than that. The plan of the government is further indicated by the replacing of the Minister of Public Works (Mr. McIlraith) as house leader by the Minister of National Health and Welfare (Mr. MacEachen). The latter will also be chairman of the house rules committee. His desire to curtail opposition speeches has been very evident during the past few sessions.

There is a contradiction in the speech from the throne in regard to house procedure. It is stated that the rules and methods of parliamentary government must be revised, but it is also stated that parliament must be provided with every facility to ensure that efficiency and thoroughness of deliberations which, in the consideration of every item of public business, is alone the sure protection of the liberty and well-being of our people.

Members on the government side apparently must have short memories, or perhaps I should say convenient memories. Some of them were not in opposition when the Diefenbaker government was in office and I suggest they should read *Hansard* of 1957, 1958, 1959, 1960, 1961 and 1962. There are some members on the government side who will remember their opposition tactics. They will remember how they criticized and debated government policies. They will recall the day after day wrangling over estimates of the various government departments, particularly the Department of Agriculture. Perhaps I should put on record some of their remarks as they defended their rights as opposition critics. Their statements appear in earlier issues of *Hansards.*

The Secretary of State (Miss LaMarsh) when in opposition stated on October 4, 1962, as recorded in *Hansard* at page 227 for that date:

> All members of the opposition were elected for one purpose and that was in opposition to the government.
>
> [Mr. Pascoe.]

The hon. member for Parkdale (Mr. Haidasz), when in opposition, as recorded at page 398 of *Hansard* for October 11, 1962, said:

> Since it is the duty of members of the loyal opposition to oppose I cannot see how one can have effective opposition without constructive criticism . . . before we realize it, Mr. Speaker, political criticism may unfortunately be regarded as an un-Canadian activity instead of democracy's greatest safeguard . . . I believe that no reform can be achieved and no survival is possible without the freedom of honest and vigorous criticism.

The right hon. Prime Minister (Mr. Pearson) when he was in opposition had this to say, as recorded at page 349 of *Hansard* for February 4, 1963:

> So, Mr. Speaker, surely it is the duty of all members of the opposition in this house to give the people a chance to return what they would consider to be a better government. We can only do that by getting rid of this one and that can only be done by taking a united stand.

I might point out that in that united stand the Liberal members voted with Social Credit for debt free money.

Here is a small quotation from the March, 1967, issue of *Canada Month.* I think it is written with tongue in cheek but it indicates the attitude of the government:

> On January 18, for the first time since the fall of 1964, the ruling Pearson junta was defeated in a House of Commons vote. It was on an amendment to the transportation bill. The transport minister, J. W. Pickersgill, crystalized the good old Liberal attitude about governing with the classic comment that the defeat "humiliated" him. What makes these opposition fellows think this is a democracy, hmm? Where do they think they get off, voting against a government bill?

Parliament, admittedly, may not be perfect but it is far superior to any form of totalitarian rule or dictatorship. Parliament is not an assembly line process for the mass production of government measures. No democracy such as ours can ever streamline its political machinery to the point of curtailing free parliamentary debate—reasonable debate carried on for one definite purpose. In the nine years that I have been an M.P. I consider that house debates have been directed to the one purpose of improving legislation, or suggesting better legislation.

Opposition members not only help to amend legislation, they also inform Canadians of what is involved and how each measure affects national, provincial and individual interests. Sound legislation will come out of parliament only if there is constructive criticism and the presentation of alternative viewpoints. Despite government charges of delaying the business of parliament, and despite

unfriendly press reports I am sure Canadians understand that the role of an opposition member is to criticize government measures and try to improve them. This is democratic government.

The throne speech refers to the appointment of a special task force to propose long-term national agricultural policies. According to a press report the aim is to lift Canada's farm industry to a level comparable to that enjoyed by other segments of the economy. This is an admission that farm income under present government policies is too low.

The hon. member for Saskatoon (Mr. Brand) has submitted an amendment seeking price improvements for the dairy industry. I agree with his arguments in this regard, but I want to make a few references to wheat farming, particularly on the prairies. A brief reference to a recent address by Dr. J. C. Gilson, head of the department of agricultural economics of the University of Manitoba, will put the situation in clear focus:

> A truly national farm policy does not exist in Canada at the present time. Nor do we have a clearly definitive idea of what the philosophy and objectives of such a national policy ought to be. What we appear to have is a confusing collection of policies, many of which were created in times of emergency and which have been patched and perpetuated long after the original crises have disappeared.

The suggestions to the government contained in the report of the standing committee on agriculture should, I think, be used by this proposed task force when it meets, and I will deal with them just briefly. They suggest convening a national conference on farm policy under the auspices of the federal government. Perhaps this could start off the work of the proposed farm task force. They also mention the need for the production of a billion bushels of wheat per year in Canada by 1980, in order to meet world demand.

• (9:40 p.m.)

I suggest the government should not be too complacent about this. The latest D.B.S. review shows that exports from the United States and Australia were higher this year than last and that exports from Canada and the Argentine were lower. This report relates to the August to February period of the current crop year. The graph shows that exports of wheat and wheat flour from Canada were down.

The committee recommends a continuation of the Canadian food aid program, and I think we will all agree that there is a need for an expansion in this regard. The committee also recommended very definitely that the price of wheat be increased by 50 cents a bushel. The full implications of the recent increase in the price of wheat have not yet become apparent, but the 21 cent per bushel announced is far below the recommended 50 cent increase. The committee also recommended an increase in the initial price for wheat at the delivery point. Surely this is a logical move in view of the recently announced increased price.

It has been said that every effort should be made to ensure that tolls on the St. Lawrence seaway be either eliminated or kept to a minimum and that capital costs should be accepted as far as possible as a direct responsibility of the people of Canada under a national policy. I need not point out that not long ago the Minister of Transport (Mr. Pickersgill) announced lockage fees for the Welland canal commencing April 1. This charge has been imposed, and I should like to read a few headings from the latest edition of the *Ship-Shore* news of April this year. These headings are: "Lockage charges will harm Quebec says Trois-Rivières"; "Fees hinder export, domestic trade says Maple Leaf Mills", and "Flood of protests greets announcement of lock fees".

A telegram from Charles W. Gibbings, president of the Saskatchewan Wheat Pool, was sent to the Minister of Transport, and I should like to read part of it. It states:

> Prairie farmers greatly disturbed at federal government decision to reimpose a toll structure called a lockage fee on the Welland canal which Canada has long considered a domestic waterway and which now will become the only domestic waterway in North America to carry user tolls.

I think that pretty well explains the stand taken by the shippers and the prairie wheat pools regarding these lockage fees.

The committee also said that country elevators must not be considered as places for storage but should have storage facilities connected with them. In this connection let me point out the strategic location of the federal government elevator at Moose Jaw which has a capacity of 5,500,000 bushels. It is located on the main line of the C.P.R. and can also be served by the C.N.R. This elevator has a very important potential use in line with the committee's proposals. A number of members of the agriculture committee toured the southern part of our prairie provinces and visited this elevator. They were quite impressed with its facilities and I should like to urge the Minister of Trade and Commerce (Mr. Winters)

and the Minister of Agriculture (Mr. Greene) to give close consideration to the potential use of this elevator.

I might say that the elevator at Moose Jaw is nearly full of wheat. It is being used to a capacity of 5,250,000 bushels, with the rest of the space being utilized for wheat cleaning. It is in extremely good condition and can be put to good use, particularly in view of the reference to storage for emergencies. This elevator would be adaptable for that purpose. I intended to make a few other comments in this regard but I shall defer them until I have another opportunity to speak on the supply motion. In conclusion let we refer to an editorial which appeared in the Ottawa *Journal* on May 10 regarding the extraordinary length of the speech from the throne and the looseness of its composition, which made it not a useful and reliable forecast of legislation but a kind of inventory of the desires and dreams of the government.

Dreams are not to be discouraged but there can be danger in too much dreaming. Government programs must give encouragement to initiative and hard work and there must be room for private enterprise. Care must be taken that Canada does not become a welfare state in which there is a concept that society owes every citizen a living, regardless of his willingness or ability to work. In this regard I draw attention to the front page of the May issue of *Canada Month*. The featured heading is "Allan J. MacEachen, minister of the workless future". Canadians do not want a workless future, they want an opportunity to earn their own living, and we in the opposition intend to see that these aspirations are fulfilled.

The throne speech has been aptly described as a "scatter gun" approach to pressing problems facing the government. It contains a long list of generalities, with little indication of a positive legislative program. We on this side intend to press for quick action on the agricultural cost-price squeeze and the housing crisis, as well as ever increasing consumer prices.

The government could delay tackling these pressing problems by stirring up early debate on emotional issues such as capital punishment, divorce laws and the national anthem. Vague references in the throne speech to regional, national and international issues make it possible for the government to have this session drag on as long as the last one. If this session is another year-long one, the blame will lie with the government in its priority list. Only the government can decide the order of legislation, and it is up to the government to have parliament tackle problems in the order of greatest need. We want this to be fully understood by the public. If there is a delay the fault must rest with the government.

[Mr. Pascoe.]

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I should like to commence my remarks on the occasion of this debate with words of congratulation to the mover and seconder of the address in reply to the speech from the throne. The subject on which I should like to touch might perhaps be headed under the title of the public interest and the individual and I will commence with the recognition that big government is with us to stay.

There is no point in the kind of wishful thinking so often indulged in by members of the financial community, that suddenly in some way the vast apparatus of government will be dismantled. The fact is it will not be, because I believe the majority of people are in support of the benefits and improvements which have been brought about by government intervention. However, because government has become so big and because its operations have extended into so many aspects of our lives, I am concerned with whether it is being fairly administered in the individual case. My concern therefore is as to the quality of administration. Is it humane; does it do equity, and can it adjust itself to the rich variety of individual personality which is represented in our society?

My feeling is that the answer to those three questions is a qualified negative, and I should like to cite a number of examples which indicate to me that our apparatus of government is concerned too much with being efficient and not enough with being humane. I prefer to do so under three headings: First, suggested changes in the criminal law, second, suggested changes in the civil legal system under federal jurisdiction and, third, by suggesting an administrative review procedure.

Having regard to the Criminal Code, my first comment is how old fashioned it is. Basically it dates from 1892, and it in turn was based on the Stephen draft of 1880, which in turn largely codified the accumulated practices of centuries.

• (9:50 p.m.)

We have had revisions, it is true, but they have been largely housekeeping changes in

the nature of tidying up the effect of court decisions and occasionally recognizing technological innovations such as the airplane or that famous card game 3-card monte. I should like to pick out two things to illustrate my point of view. The first is the régime for bail in lieu of custody pending trial and, second, the right to counsel before trial.

With regard to bail, in the Criminal Code it is not mandatory that in every case a person suspected of an offence be arrested and held in custody pending trial. Under the Criminal Code the local authorities are given a discretion to issue a summons to require the accused to appear in answer to the accusation rather than to issue a warrant for his arrest and detention. In a very large number of cases, however, the local authorities insist on using the arrest rather than the summonsing procedure, and therefore a problem arises.

Once an accused is arrested he then must use the bail procedure to regain his liberty pending trial. While the bail procedure is intended to relieve against detention pending trial, in my opinion it is more oppressive than it is relieving. What this means in practice, at least in the metropolitan area from which I come, is that a man, who in law otherwise is presumed innocent until proven guilty, must be able to arrange two things on short notice. First, he must find someone to provide cash or proof of property and, second, he must be able to arrange the attendance of a provincial official, that is a justice of the peace. Failing that—and I can assure you that it fails quite easily late at night or on a holiday—the law treats the accused in the same way he would be treated had he already been convicted of a major offence. He is locked up under maximum security conditions.

I should like to make clear to members of the house that they do not need to rely on my opinion of the way the bail system works. It has been thoroughly documented in the very able study by Professor Martin Friedland of the University of Toronto law school in a book entitled "Detention Before Trial". Before referring to some of his detailed findings I should like to refer to the following at page 172:

> The period before trial is too important to be left to guesswork and caprice. At stake in the process is the value of individual liberty. Custody during the period before trial not only affects the mental, social and physical life of the accused and his family, but also may have a substantial impact on the result of the trial itself. The law should abhor any unnecessary deprivation of liberty and positive steps should be taken to ensure that detention before trial is kept to a minimum.

By way of illustration of the effect of the administration of the Criminal Code in Toronto I should like to read the following summary of the facts in Professor Friedland's study. I am quoting from page 174:

> Of those arrested by the police, which is over 90 per cent of those charged, approximately 85 per cent are kept in police custody until their first court appearance, many for substantial periods of time. Most persons arrested during the day are not brought into court that day, even though the court is sitting ... The study revealed, for example, that in one division station over 80 per cent of all those booked between 7.00 a.m. and midnight were kept in police custody for over 10 hours before their first court appearance. For all of metropolitan Toronto, 84 per cent of all persons arrested for criminal offences were kept in custody until their first court appearance. Approximately 40 per cent of those who appeared in court in custody for their first court appearance, 95 per cent of whom did not have a lawyer, pleaded guilty at that time. A thorough revision of the procedural aspects of release before the first court appearance is clearly necessary.

He goes on to point out that many persons whose cases are not disposed of at the first court appearance spend substantial periods of time in custody pending the disposition of their cases. The use of cash or property bail as the determinant for securing attendance at trial inevitably involves a discrimination between rich and poor in the administration of the criminal law. Let the comparison be made between the treatment accorded someone accused of white collar crime, like Mrs. Viola MacMillan, with that accorded the poor unfortunates disgorged from the Don jail after a week end. I think it is clear that there is different treatment. The goddess of justice in the traditional statue may be blind, but one wonders whether it is cash that she is weighing on the scales.

Let us go back to the fundamentals. What is the purpose of custody pending trial, or bail in lieu thereof? It is to secure the attendance of the accused at trial. But, how often and in what kinds of case, do accused persons flee from bail, or more fundamentally, what probability is there that an accused will flee? I suggest that in a very high percentage of cases there are external non-legal factors which will deter the accused from disappearance such as family, business interests, roots in the community and insufficient means to evade justice. The minister suggests also a sense of honesty. In those limited cases where moments of panic cause the accused to flee, the efficacy of detection will secure the ultimate apprehension of all but a few.

At this point I should like to say just a few words about the hard core of professional

criminals who appear to be the standard by which some law enforcement officers regard the rest of society. The bail system need hold no terrors for organized crime in cases where the accused can expect to be eligible for bail. Bail money and counsel will be readily available for the professional criminal. I submit that a ready distinction can be drawn between those who are accused of major crimes against person and property, and the vast majority who run afoul of the law for offences such as impaired driving or a similar offence. My recommendation, therefore, is that the provisions of the Criminal Code requiring that an accused person be taken into custody for a broad spectrum of offences should be sharply curtailed and that many offences should be exempted from the necessity of custody and therefore of bail. I should like to spell out the changes I have in mind later.

Perhaps I might call it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*Translation*]

DOMINION-PROVINCIAL RELATIONS—CONSULTATION RESPECTING CULTURAL AGREEMENT WITH BELGIUM

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, on May 8 last, here in Ottawa, an agreement was signed by the governments of Canada and the kingdom of Belgium on the fields of culture, education, science and engineering.

Due to the nature of this international agreement, its implementation will affect fields of provincial jurisdiction, and the central government did not consult the provinces or the Quebec government before negotiating such educational and cultural relations.

This new procedure raises some doubts on the constitutional level, antagonizes Quebec, and departs from the procedure followed in the fall of 1965 when a cultural agreement was signed between Ottawa and Paris.

According to the letter and the spirit of section 93 of the Canadian constitution, education comes under the exclusive jurisdiction of the provincial legislatures. Culture must be related to education since it is its direct expression and since the fathers of Canadian confederation in 1867 did not dissociate education from culture in the distribution of government responsibilities.

[Mr. Macdonald (Rosedale).]

Furthermore, since the Statute of Westminster, that is since December 11, 1931, section 132 of our constitution became dead letter, and the central government can take its stand on no other section to assume the exclusive power to act in international relations, especially in matters exclusively provincial, as education, culture and natural resources.

• (10:00 p.m.)

The argument is sound: if Ottawa does not have the right of implementation in a given matter, it could not have the exclusive right of negotiation. Indeed, it was in that spirit that, in 1948, Canada subscribed to United Nations Universal Declaration of Human Rights, making known some reservations about provincial responsibilities in such matters.

In the 11 articles of the recent Canada-Belgium agreement, Ottawa included no such reservation; it did not have previous consultations with the provinces in general and with Quebec in particular and did not officially provide for the role of the provinces and of Quebec on the permanent joint commission created by that agreement.

Hon. Daniel Johnson, premier of Quebec, and some of his colleagues were entirely right when they protested against the offhand, autocratic and centralizing way in which this Liberal federal government again proceeded in this matter.

Mr. Speaker, I feel that if the Pearson government had decided to humiliate Quebec in its authority and its responsibilities, if it were trying by all direct and indirect means to weaken the provincial fields of jurisdiction, it would have acted exactly as it did in the negotiations about the signing of that agreement between Canada and Belgium.

In the interest of Canada, I hope that the stubbornness of the present central government will stop and that at the meeting of the prime ministers, next July 5, a clear and definite understanding will be reached.

In the field of international jurisdiction, I wish to make a few suggestions about the responsibilities which are exclusively provincial. In fact, I once said:

> As far as I am concerned, I feel that the Quebec government can negotiate international treaties without the approval of the central government. But, in order to strike a proper medium in the implementation of true federalism and to enable Canada to put up a peaceful front before foreign countries, I would suggest that the Quebec government inform Ottawa of its initiatives so that Canadian policies do not appear incongruous and incoherent abroad.

In the field of shared responsibilities which are mentioned in section 95 of the constitution such as agriculture and immigration, the Quebec government should discuss these matters with Ottawa and come to an agreement beforehand concerning the division of responsibilities.

Finally, where responsibilities lie exclusively with the federal government, Quebec should submit its request to Ottawa and the matter should be decided jointly with the province.

[*English*]

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I do not accept the arguments of the hon. member, for I suggest that he is confusing the negotiation of treaties, which is the exclusive right of the federal government and always has been, with the implementation of treaties which, depending on the subject matter, may be within provincial competence.

It has long been the practice of Canadian governments to consult the provinces before undertaking any commitment on their behalf, by entering into an international agreement which would require provincial legislation or other provincial action in order to be implemented. I can assure the house that there has been no departure from this practice in the case of the Belgian agreement. In signing a cultural agreement with Belgium the Canadian government has naturally committed only itself and federal agencies concerned with cultural matters. This was our constitutional right.

So far as the provinces are concerned, the agreement only provides a framework which could facilitate the participation of provincial authorities which might be interested in cultural exchanges with Belgium. The agreement clearly does not commit any province to do anything in connection with cultural exchanges with Belgium unless it wishes to develop such exchanges, in which case ample opportunity has been provided for full consultation. Thus the agreement will make it possible for Canadian efforts to strengthen our relations with Belgium through cultural exchanges at the federal and provincial level to be co-ordinated in a manner consistent with our constitutional requirements, and with the unity of purpose which must characterize our action in the international field.

The Prime Minister wrote each premier on May 3 to make it clear that there will be full consultation with the provinces as to any course of action they might wish to take in any matter arising out of this agreement which would involve provincial jurisdiction or require provincial implementation.

With respect to the right of the Canadian government to negotiate and conclude such agreements, both the Prime Minister and the Secretary of State for External Affairs have, on numerous occasions in the house, stated the constitutional position in Canada which clearly gives the federal government exclusive responsibility for the conduct of our country's external affairs and for the negotiation and conclusion of agreements with foreign governments in all fields.

WATER RESOURCES—REPORTED AGREEMENT TO ESTABLISH NATIONAL ADVISORY COUNCIL ON POLLUTION

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, over a period of five years I have placed the following resolution on the order paper:

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.

Then, Mr. Speaker, I was very interested to read in the Vancouver *Sun* of May 6 a statement made by the Minister of Energy, Mines and Resources (Mr. Pepin). The heading of the article is "Ministers Agree on Pollution Group; National Council Offered as Solution to Problem". The article reads:

Federal and provincial resource ministers and government officials agreed in principle Friday to set up a national advisory council on water pollution.

It will set goals and co-ordinate the work of various government agencies in Ottawa and the provinces, Energy Minister Jean Luc Pepin told a press conference.

With representation from the two senior levels of government and probably some universities, the body will have a secretariat provided by the federal government.

Pepin said his proposal was received favourably but no firm decision could be made at a two-day round of meetings of resource ministers because some provinces wanted to clear the decision with their cabinets.

In making that statement, the minister no doubt accepted in principle the resolution I had been moving in the house for five years. In that connection, I was very interested to read in the Toronto *Daily Star* of Monday, May 15, an article written by Walter Gray, who is very interested in the conservation of

natural resources, entitled, "Will water pollution control sink in sea of provincialism?" The article reads, in part:

> Little wonder that W. H. Herridge (N.D.P.—Kootenay West), one of the most outspoken conservationists on parliament hill—

I have to read this, although I do not like this sort of thing because I am so modest at heart.

> —got up in the Commons the other day and cried plagiarism against the government.
>
> For the last 15 years he has made an annual plea for the establishment of a national advisory council on water pollution, but every time his private bill was sunk without a trace.
>
> Then, to his surprise, he received a press release from the Department of Energy, Mines and Resources, announcing that resources minister Jean Luc Pepin had proposed to the provinces the establishment of just such a council.
>
> Pepin, of course, did not credit Herridge with the idea; rather, he said it came from last fall's national pollution conference in Montreal, sponsored by the Canadian Council of Resource Ministers.

I asked my question as a result of a number of people on this side of the house saying to me: well, the government has actually adopted a policy you have advocated for some years. It was for that reason, Mr. Speaker, I asked this question of the minister:

> I wish to address a question to the Minister of Energy, Mines and Resources which is of urgent and prime national importance. Is it correct that the federal government has accepted in principle a resolution that has been placed on the order paper for over five years by the hon. member for Kootenay West, by an agreement in principle between the federal and provincial resource ministers to establish a national advisory council on water pollution? Can the minister inform the house of any such proposal or agreement?

However, Mr. Speaker, once again you nipped me in the bud when you rose and said:

> Order, please. I do not think the question and the hon. member's assertions are acceptable at this time.

As a matter of fact, I was a bit nettled by that. It was for that reason I suggested I would have an opportunity of dealing with the question a little more fully after ten o'clock, as I am doing now. I hope when the parliamentary secretary replies to my proposal he will at least give some credit to the members of this group for advancing a constructive suggestion to the government over a number of years. I must say also I was not very pleased that the government acted along the lines it did when making the minister's announcement.

• (10:10 p.m.)

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member for Kootenay West raises a very important subject, the pollution of water. He also makes what under other circumstances might be a very serious charge; that is, the charge of plagiarism.

His proposals of recent years have had to do with the setting up of a national board or council, with powers and certain administrative capabilities, as I understand it. This is not what is envisaged. This is not the subject which has been discussed by the Canadian council of resource ministers. Instead, what has been discussed is a purely advisory council, which perhaps would set up standards on an agreed basis which would be embodied in legislation, both federally and provincially, across the country. The council will advise as to areas of profitable research and as to successful methods of dealing with pollution. In other words, it would be an advisory body, not one with powers.

The hon. member made some reference to consistency. A few days ago his party moved a motion in this house to the effect that the government of the day—the present government—had not seen fit to give special status to one of our provinces, notably Quebec. I suggest that this was a recognition of the powers of the provinces, à la mode, so to speak. We have a division of powers as between provinces and the national government of this country. The advisory council, I submit, does recognize the fact that there is an area of divided jurisdiction in respect to pollution, and this can be covered adequately only by consultation at the federal-provincial level.

There was a meeting recently of the Canadian Council of Resource Ministers, and at that meeting the Minister of Energy, Mines and Resources put forward the idea that an advisory committee be set up. This matter was discussed and the idea was received favourably by some representatives of provincial governments; others wished to consider the matter at some length. There were three main headings under which the council could study this matter. The council would study the possibility of setting up

agreed lists of objectives and standards Second, it would conduct research into causes and ways of reducing pollution, federal and provincial. Third, it would advise the governments, federally and provincially, on water pollution problems and programs for their solution.

In other words, Mr. Speaker, the Minister of Energy, Mines and Resources has proposed that an advisory council be set up. This is under consideration, and the establishment of this council will be discussed again when the ministers meet this fall.

Motion agreed to and the house adjourned at 10.15 p.m.

HOUSE OF COMMONS

Wednesday, May 17, 1967

The house met at 2.30 p.m.

CANADA ELECTIONS ACT

AMENDMENT RESPECTING VOTING BY UNIVERSITY STUDENTS

Mr. A. D. Hales (Wellington South) moved for leave to introduce Bill No. C-111, to amend the Canada Elections Act (university students' franchise).

Some hon. Members: Explain.

Mr. Hales: Mr. Speaker, the purpose of this bill is to avoid any repetition of an unfortunate occurrence during the last general election when a number of university students were disfranchised by virtue of a provision in the Canada Elections Act. This bill proposes to place students in the same position as members of the Canadian forces and veterans in an election.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

VIET NAM—ALLEGED DISCLOSURE OF PROCEEDINGS IN CABINET MEETING

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): May I ask the Prime Minister whether the press correctly reported a most unusual occasion today, at which the Prime Minister advised the press as to what had taken place in cabinet. In particular, did he say that he had outlined in cabinet in very considerable detail the policy of the government by quoting from statements made by him as well as by the Secretary of State for External Affairs, so it would be clear to every member of the cabinet exactly what the policy was? Did he say "We all agreed that this was the right policy to follow—"

Mr. Speaker: Order, please. The right hon. gentleman knows that a question has to be asked directly and that it cannot be in the form of requesting confirmation or denial of press reports.

Mr. Diefenbaker: I rise on a question of privilege, then. The Prime Minister is reporting what took place in cabinet, and this is so contrary to constitutional practice that I have to quote what was reported in the press.

Mr. Speaker: I must rule on the question of privilege that there are no exceptions provided in the precedents which would allow the right hon. Leader of the Opposition to put the question in the way he did.

Mr. Diefenbaker: This has never happened before, so there are no precedents. May I ask the Prime Minister this. Did the cabinet agree that the members of the government would follow the policy enunciated in cabinet this morning and say or do nothing which would make its implementation more difficult? I ask the Prime Minister upon what basis the statement was made, and whether there is a precedent for revealing what takes place in cabinet.

Right Hon. L. B. Pearson (Prime Minister): Oh, Mr. Speaker, there are lots of precedents for telling the press the subject matters discussed in cabinet. My right hon. friend will recall many occasions when he indicated what was discussed or not discussed in cabinet. There is no precedent for giving the details of cabinet discussions on any matter, nor was that done this morning. I merely said, and it was quite in order to say so, that the cabinet reaffirmed its adherence to the policy adopted by the government in regard to Viet Nam, in view of the questions that had been raised about that policy in the house and elsewhere. All members of the cabinet not only reaffirmed their confidence in the wisdom of that policy but they all reaffirmed that they would say nothing or do nothing to make more difficult its implementation. I am sure my right hon. friend will be the first to congratulate us on this reaffirmation of cabinet solidarity.

Mr. Diefenbaker: Having been asked whether I congratulate the government on cabinet solidarity, I may say that I do; because this is so abnormal that it deserves congratulation. Now I ask the Prime Minister, will he let the house and the country in on what the secret is, what the policy is? Is the Gordon version no longer agreeable to the cabinet?

Mr. Pearson: Yes, Mr. Speaker, I will be delighted to let my right hon. friend into that great secret. Cabinet policy in this matter was stated by the Secretary of State for External Affairs on April 11 before the committee on external affairs; it was indicated in a letter of mine to certain university professors which was made public on March 10, and it was dealt with in this house in February of this year. We reaffirmed this morning the wisdom of that policy as enunciated in this house and outside. I know my right hon. friend is quite familiar with it.

Mr. Diefenbaker: Then I ask the Prime Minister to table the letter of March 10 to the professors so we will have it clear and definite, and so Mr. Gordon will understand it as well as Mr. Turner.

Mr. Pearson: Yes, I will be glad to do that. I may be wrong, but I am under the impression that letter has already been tabled. I think it was tabled some weeks ago. If I am wrong I apologize. If it has been tabled I am sure my hon. friend has read it by now.

Mr. Diefenbaker: I want to see how consistent it is.

Mr. David Lewis (York South): I should like to ask the Prime Minister a supplementary question, because this subject is one of great importance to the country. I should like to know whether the Prime Minister's statement means that the statement of the President of the Privy Council was repudiated by the cabinet.

Mr. Pearson: Mr. Speaker, I know how important this matter is to the New Democratic party, but my hon. friend will have to draw his own conclusions from what I have just said.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a supplementary question for the Prime Minister. Was the President of the Pricy Council present at this cabinet meeting and did he subscribe—

Mr. Speaker: Order, please. The hon. member knows that question is out of order.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, may I ask the Prime Minister whether he will table the contents of the press release issued after the cabinet meeting this morning, as well as the one issued after caucus.

[Mr. Diefenbaker.]

Mr. Pearson: I shall be glad to do that, Mr. Speaker. I believe it has appeared verbatim in the press, but I would be very glad to table it.

[*Later:*]

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, my question is directed to the hon. Secretary of State for External Affairs.

I should like to know whether, as a result of the statement made by the President of the Privy Council on the situation in Viet Nam, the government or his department have received protests from Washington?

Hon. Paul Martin (Secretary of State for External Affairs): No, Mr. Speaker.

EXTERNAL AID

CANADIAN PARTICIPATION IN WORLD BANK LOAN TO PAKISTAN

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs.

In view of the fact that Canada is participating extensively in a two billion dollar project financed by the World Bank to assist Pakistan in the construction of an irrigation system, is the minister aware of the existence of slave labour camps in Pakistan, while financial assistance benefits but a few individuals? Has the government been informed of this situation and what measures are intended by the minister to have these people toe the line?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I shall take this question as notice and reply tomorrow.

[*English*]

AGRICULTURE

ALBERTA—ASSISTANCE TO FARMERS FOLLOWING STORM DAMAGE

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Minister of Agriculture. Is he now prepared to give some additional details about the kind of assistance the federal government is prepared to offer the ranchers and farmers of southern Alberta who were severely hurt by the recent storms, particularly in regard to long term credit assistance, which I think he mentioned in his press release in western Canada about a week ago?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I attended the area in southern Alberta where these very grave problems have arisen. We provided short term assistance by way of helping to get feed to the cattle by means of mobile equipment, etc. This can help in the short term.

I had a meeting with some 40 or 50 ranchers, and the situation is that when they have been able to determine the long term harm that has been suffered as a result of this storm the ranchers association will submit representations to the government as to the kind of aid, credit or otherwise, that they deem would be advantageous to help them overcome their very serious difficulties.

Mr. Olson: A supplementary question. Does the minister intend to make some arrangements with the Farm Credit Corporation for deferment of the payments that are due in 1967?

Mr. Greene: Mr. Speaker, the officials of the Farm Credit Corporation have already visited the scene on my instructions. In the event that a moratorium in regard to the 1967 payments is required or desired by the ranchers who have been seriously affected, and provided this is permissible under the act and the regulations as they now stand, I am sure this matter will be given every consideration.

Mr. Eldon M. Woolliams (Bow River): A supplementary question, Mr. Speaker. I should like to ask the Minister of Agriculture whether he has had any discussions with the premier or provincial government of Alberta with regard to any joint undertaking to provide assistance; and have any suggestions come from that government in this connection?

Mr. Greene: I did have discussions with one of the ministers about providing the emergency equipment and feed which was required, but there have been no discussions or suggestions as yet with regard to any long term help.

Mr. Woolliams: A further supplementary question, Mr. Speaker. Has the Minister of Agriculture initiated any discussion of this matter with the provincial premier?

Mr. Greene: Mr. Speaker, there is no way as yet of assessing the long term injury that has been suffered; the ranchers themselves have said this to me. It will probably be some weeks or months before they know the cost of this unfortunate occurrence, and I think it might be premature to suggest methods of aiding them at this time.

Inquiries of the Ministry

TRADE

INQUIRY AS TO AMENDMENT OF ANTI-DUMPING PROVISIONS

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question is to the Minister of Finance. Can the minister advise the house whether Canada's anti-dumping regulations were dealt with in the Kennedy round negotiations? If so, has a decision been reached to amend these regulations and procedures?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, during the negotiations which have just been concluded Canada subscribed to a new international code of anti-dumping legislation; and if these agreements are confirmed, as I expect they will be, there will be legislation to implement that agreement.

Mr. Lambert: A supplementary question, Mr. Speaker. Can the minister say when he might expect to make a formal announcement in this regard?

Mr. Sharp: At the same time as the tariff schedules are revealed which, as I and the Minister of Trade and Commerce said yesterday will probably be after June 30.

Mr. D. V. Pugh (Okanagan Boundary): A supplementary question, Mr. Speaker. Can the minister say whether anti-dumping legislation with regard to fruit and vegetables will be changed? Will there be a change in the estimation of fair value for duty with regard to these two categories?

Mr. Sharp: Mr. Speaker, the question of valuation for duty is quite separate from that of anti-dumping legislation. I hesitate to give an unqualified answer but I think I can say that valuation as such, is not affected by the new rules.

[*Translation*]

FOOTWEAR—DISCUSSION RESPECTING IMPORTS FROM CZECHOSLOVAKIA

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I should like to direct a question to the hon. Secretary of State for External Affairs.

Would the hon. minister tell the house whether he has had the opportunity lately to discuss with the president of Czechoslovakia or the minister of foreign affairs of that country the matter of massive importation of shoes, as complained of by Canadian manufacturers?

Inquiries of the Ministry

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, that matter was mentioned.

Mr. Ricard: A supplementary question, Mr. Speaker. Could the hon. minister tell us whether the importations will be decreased or increased?

Mr. Martin (Essex East): That is a matter for the consideration of the government of Czechoslovakia, Mr. Speaker.

[*English*]

Mr. Ron Basford (Vancouver-Burrard): A supplementary question, Mr. Speaker. Can the Secretary of State for External Affairs assure the house that no steps will be taken that may injure Canadian-Japanese trade?

PORK—INQUIRY AS TO REOPENING OF BRITISH MARKET

On the orders of the day:

Mr. A. D. Hales (Wellington South): My question is for the Minister of Agriculture. Has the British market for pork and pork products been reopened to Canada? If so, what are the Departments of Agriculture and Trade and Commerce doing to break into this market and to make Canadian pork products available in large quantities to English buyers?

Mr. Speaker: Order, please. I doubt whether the matter is of such national urgency that the question ought to be asked at this time.

REQUEST FOR DETAILED STATEMENT ON NEW GATT AGREEMENT

On the orders of the day:

Hon. D. S. Harkness (Calgary North): My question is for the Minister of Finance. In view of the fact that the Japanese government has now released a list of considerable length showing tariff reductions arrived at as a result of the Kennedy round of negotiations, would the minister reconsider his reply to the request I made yesterday that he issue a list setting out these reductions as far as Canada is concerned in order that manufacturers and others interested may be better able to assess their position and determine what to do?

Hon. Mitchell Sharp (Minister of Finance): I think if manufacturers and others in this country wish to assess the position adequately they should know both sides of the bargain. Therefore I think it would be better to release the information as to changes in our own tariff schedules and those of our principal markets at the same time.

[Mr. Ricard.]

Mr. Harkness: In view of the fact that the Japanese government has already released this information what reason could there be for Canada not following the same course?

Mr. Speaker: Order. The question is not in order. The hon. member is suggesting that an argument be entered into.

Mr. Harkness: With respect, Mr. Speaker, I fail to see why the question is out of order. It is an urgent matter, and the minister is prepared to answer.

Mr. Speaker: Order. The hon. member asked the minister to explain why a particular decision had been reached, and I do not think that is a proper question.

Mr. D. V. Pugh (Okanagan Boundary): May I ask the minister whether there will be any tariff changes in relation to fruits and vegetables. I ask this question because crops intended for sale later in the season have to be planted now, and a situation very harmful to some areas of Canada may develop unless the farmers are given this information at the present time.

Mr. Sharp: I can assure the hon. member that we have this question very much in mind, but I reiterate my statement that I believe it is better for all concerned to know both the advantages we are receiving in foreign markets as well as the concessions we have made in order to buy those advantages.

NATURAL GAS

DECISION BY U.S. COMMISSION ON PIPE LINE APPLICATION

On the orders of the day:

Mr. David Lewis (York South): My question is directed to the Minister of Energy, Mines and Resources. Can he inform the house whether he has further information as to the date on which we might expect a decision from the federal power commission in Washington on the Great Lakes application to build the pipe line for Trans-Canada Pipe Lines through the United States?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Unfortunately I cannot, Mr. Speaker.

Mr. Lewis: A supplementary question, Mr. Speaker. Can the minister inform the house whether on behalf of Canada he made representations to the F.P.C. that it might expedite its processes, in view of the disadvantages to Canada of long delays?

Mr. Pepin: Mr. Speaker, representations were made in the past. The federal power commission is quite aware, and it has stated it, of the urgency of this matter for Canada.

UNITED NATIONS

POSSIBLE WITHDRAWAL OF CANADIAN MEMBERS OF GAZA STRIP FORCE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, may I ask the Minister of National Defence whether Canadian troops are to be withdrawn from the Gaza strip.

Mr. Hellyer: May I refer this question to the Secretary of State for External Affairs.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Secretary General of the United Nations has called a meeting of those nations contributing to the United Nations force in the Gaza strip. I would prefer to wait until the conclusion of that meeting before replying.

Mr. Churchill: May I direct a supplementary question to the Minister of National Defence. If hostilities break out in that area, will attempts be made at peace restoring in accordance with the policy the minister announced on December 7 last?

Mr. Speaker: Order. It would appear that the question is hypothetical.

[*Later:*]

Mr. Churchill: Mr. Speaker, I would like to ask the Secretary of State for External Affairs a question with regard to the serious problem developing in the Near East. In order that Canada's policy may be clear and definite, will the minister hold prior consultations with the President of the Privy Council?

[*Translation*]

PUBLIC WORKS

POINTE-MICHEL, QUE.—INQUIRY AS TO WHARF CONSTRUCTION

On the orders of the day:

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, my question is directed to the Minister of Public Works. Was his attention drawn to a May 8 resolution of the Rimouski Chamber of Commerce, which is supposed to have been sent to him in connection with the Compagnie de navigation Nord-Sud Limitée and the construction of a wharf at Pointe-Michel, between Baie-Comeau and Forestville? If so, is it his intention, in compliance with that resolution, to take immediate action to have the construction of a wharf at Pointe-Michel started as soon as possible?

Mr. Speaker: That question should be placed on the order paper.

[*English*]

EXTERNAL AFFAIRS

SALE TO U.S. OF ARMS FOR USE IN VIET NAM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a welcome back question to the Secretary of State for External Affairs. I have not had an opportunity to send him notice, but I am sure he will give me a precise answer. In view of the fact that Canada has refused to sell arms to Israel, the Arab states, Pakistan, India, Greece, Turkey, Angola and Malaysia, how does the government justify the sale to the United States of arms, some of which are used in Viet Nam?

Mr. Speaker: Order. The question, I regret to say, is argumentative.

CANADIAN CENTENNIAL

INFORMATION FOR MEMBERS RESPECTING VISITING DIGNITARIES

On the orders of the day:

Mr. P. V. Noble (Grey North): My question is directed to the Prime Minister. Would he give consideration to circulating to hon. members a bulletin outlining the itineraries of visiting dignitaries? I believe this information is now available to him.

Right Hon. L. B. Pearson (Prime Minister): I will be very glad to inquire whether this can be done. I think it would be very helpful if it could be done.

HEALTH AND WELFARE

REQUEST OF COUNCIL OF BLIND FOR ELIMINATION OF MEANS TEST

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 Prime Minister. Did the Prime Minister receive a communication from the Ontario division of the Canadian Council of the Blind pointing out the degrading and demoralizing effect of the means test and the difficulty of pensioners carrying on with their present pensions because of the spiralling increases in costs? If the government has received that telegram is it giving consideration

to the removal of the means test, a step which on its face appears to be one that would be generally acceptable to the house?

Right Hon. L. B. Pearson (Prime Minister): It is my impression that I did, Mr. Speaker, but I would like to confirm that a telegram to this effect came to my office yesterday and that I sent it to the office of the Minister of National Health and Welfare and asked for his views on it. I will check that when I get back to my office.

[*Translation*]

CANADIAN NATIONAL RAILWAYS

QUEBEC—REFUSAL TO PROVIDE TRANSPORTATION TO OTTAWA FOR FARMERS

On the orders of the day:

Mr. C.-A. Gauthier (Roberval): I wish to direct a question to the Minister of Transport.

Has the minister received from the C.F.U. of the Saguenay region a telegram protesting aga nst the refusal of the C.N.R. to put at their disposal 17 passenger coaches to take 1,000 farmers to Ottawa for the farmers' march scheduled for May 24?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I am under the impression that it is a march that is supposed to take place on May 24, but in any case I will contact the C.N.R. management about that.

Mr. Gauthier: A supplementary question, Mr. Speaker. Is the minister convinced that this march will be profitable to the C.N.R.?

Mr. Speaker: Order. The hon. member is asking the minister for an opinion and his question is out of order.

DOMINION-PROVINCIAL RELATIONS

QUEBEC DISCUSSIONS RESPECTING JURISDICTION IN EXTERNAL AFFAIRS

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, my question is directed to the hon. Secretary of State for External Affairs and concerns the statements he made yesterday in Fredericton on government jurisdiction with regard to international matters.

Can the hon. minister tell the house whether he or officials of his department have held meetings recently conferred or exchanged correspondence as concerns the wish expressed by the province of Quebec to become a member of international organizations such as UNESCO? Has an agreement been reached between the two governments?

[Mr. Diefenbaker.]

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, as I said yesterday, what we want, especially in matters which concern the provinces from a constitutional point of view, is effective co-operation with them. That is why we are pursuing a program of co-operation and collaboration.

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

Can the hon. minister tell the house whether he has received recently from the premier of the province of Quebec a letter making a request in this regard?

Mr. Martin (Essex East): I shall find out, Mr. Speaker. I have received several letters from the Quebec premier; it may be that one of them concerns this matter, and I shall inquire about it.

[*English*]

INQUIRY AS TO CHANGES IN TAX-SHARING ARRANGEMENTS

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, may I ask the Prime Minister or the Minister of Finance whether changes in the present federal-provincial tax-sharing set up are planned for the current session of parliament.

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker. We have just approved legislation that applies in the immediate future, and I have no intention of bringing in further legislation.

HOUSE OF COMMONS

CONSIDERATION OF REDUCTION IN VOTING AGE

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I want to ask the Prime Minister. Having in mind the presence on the order paper of a number of bills, put there by private members of the three main political parties, all calling for the same thing, namely a reduction in the voting age, is the government giving consideration to this important question?

Right Hon. L. B. Pearson (Prime Minister): I shall be very glad, Mr. Speaker, to look into this very interesting proposal to see whether it could be implemented.

PARLIAMENT HILL

BAN ON TAXICABS DURING CENTENNIAL CEREMONIES

On the orders of the day:

Mr. Lee Grills (Hastings South): Mr. Speaker, I would like to direct a question to the Minister of Public Works. Yesterday between four and five o'clock I had the unpleasant experience of missing a train due to the fact that no taxicabs were allowed on parliament hill. I wonder if the minister could do something about this. I have heard several complaints, and I ask when the situation in this respect will be rectified.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I am very sorry to hear that the hon. member missed his train; I thought that was something that happened only to some of the rest of us. As to taxicabs not being allowed on the hill during certain ceremonial visits I shall look into the matter. I was not aware of it.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I have a question which closely relates to the business of the house and which I wish to direct to the right hon. Leader of the Opposition.

Mr. Speaker: Order, please.

Mr. Choquette: If I am not allowed to ask a question of the right hon. gentleman may I direct the question to the government house leader. Since erosion of the crown prerogatives is quite incompatible with Conservative philosophy, will the minister ask the hon. member for Carleton (Mr. Bell) to withdraw notice of motion No. 1 on the order paper, which deals with the abolition of the royal power of dissolution?

Mr. Speaker: Order, please.

Hon. R. A. Bell (Carleton): Mr. Speaker—

Mr. Speaker: Order, please. I will again rule the question out of order. I assume the hon. member is rising on a question of privilege.

Mr. Bell (Carleton): I only wish to say that each court should have a jester and each parliament a clown.

Some hon. Members: Hear, hear.

Mr. Speaker: Is the right hon. Prime Minister rising on a question of privilege?

Right Hon. L. B. Pearson (Prime Minister): I was just going to speak on the question of privilege, to say I would be glad to discuss the matter with the Leader of the Opposition.

Mr. Speaker: Order, please. I think it would be wise if at this point I ruled there was no question of privilege.

Mr. Choquette: On a question of personal privilege—

Mr. Speaker: Order, please. I bring to the attention of hon. members that there are only 30 minutes for questions this afternoon, and I would ask for the co-operation of all hon. members including the hon. member for Lotbinière.

Mr. Choquette: It will be a very short question of privilege. I am glad to understand that the hon. member for Carleton is the clown of this house.

Mr. Speaker: Order, please.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, may I direct a question to the Minister of Finance. Considering the widespread speculation that it will not be available until after May 29, could the minister tell us when he will be prepared to present the budget?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, a final decision in this respect has not yet been made.

MR. JUSTICE LANDREVILLE

INQUIRY AS TO ACTION PROPOSED BY GOVERNMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I think about ten days ago was the last occasion when I asked what the government's attitude is going to be regarding Mr. Justice Landreville. Has the government come to any conclusion in this regard?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the question of the best procedure to be followed in this very important,

and I believe for our parliament unprecedented, matter was again discussed by the government this week, and I hope to be able to have an announcement to make next week.

AGRICULTURE

MEETING WITH FARM ORGANIZATIONS TO DISCUSS MILK QUESTION

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, may I direct a question to the Minister of Agriculture. Is the minister in a position to advise the house of the time and place of the meeting with the farmers' union, the Canadian Federation of Agriculture and other farm organizations who are coming here to discuss the milk question with him; and will members of parliament be allowed to attend that meeting?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I have been instructed by the proposed marchers that they will be here on May 24, I believe at ten o'clock in the morning. With respect to the question of the actual place where they will be, I think it is on parliament hill and I am very certain everyone will be welcome.

HOUSING

CLARIFICATION OF ANSWER RESPECTING OFF-RESERVE ASSISTANCE TO INDIANS

On the orders of the day:

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, yesterday when I announced a program on Indian housing the hon. member for Churchill asked me a question which I have since had the opportunity of reading in *Hansard*. I have discovered that the question he asked me involved enfranchised Indians, indicating to me that I misinformed the house; because I said, as recorded at page 247 of *Hansard*, "If they are currently on reserves, yes." If Indians are enfranchised they are no longer Indians under the Indian Act.

• (3:10 p.m.)

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, May 16, consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session and the amendment thereto of Mr. Brand.

[Mr. Pearson.]

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, at the close of the debate last night I had made some remarks indicating that I felt the system of criminal justice in this country was heavily weighted against the individual, and particularly in connection with the provision for custody pending trial and bail. I also indicated that I should like to discuss this under a second heading, the question of availability of counsel before trial. As will be clear to hon. members from Professor Friedland's remarks which I read last night, the problem of custody before trial is directly related to the question of counsel before trial.

Mr. Speaker: Order, please. May we please have more order. I am sure it is difficult for the members in the chamber to follow the hon. member's remarks.

Mr. Macdonald (Rosedale): The question recently has been before the highest court in our country, the Supreme Court of Canada, in the case of Regina *v.* O'Connor. In that case, a motorist had been taken into custody on suspicion of impaired driving and was submitted to a number of tests by the police at the police station without being informed that he was under arrest, and that he had a right to refuse to submit to the tests, without having the opportunity to seek independent legal advice. Only after being tested was he advised that he was under arrest and only at that time was he given permission to seek legal assistance. He was permitted to make one telephone call. When his solicitor happened not to be there, he was denied a further right to seek assistance.

The Canadian Bill of Rights appears to be quite clear in this regard. It affirms the right of the individual to equality before the law and the protection of the law. It goes on to prohibit any law of Canada from being construed or applied so as to—

> —deprive a person who has been arrested or detained
>
> (i) of the right to be informed promptly of the reason for his arrest or detention, and
>
> (ii) of the right to retain and instruct counsel without delay...

Prima facie it would appear that the Bill of Rights applies directly to the situation. The Supreme Court of Canada, however, has held that those provisions did not assist the accused under those circumstances. In my opinion the Supreme Court's judgment, which I do not deny was probably correct on the law as it stands, has indicated a very fundamental gap in our system of criminal justice.

We have adopted the English system of criminal justice, which is an adversary system; it assumes that the best means of arriving at the truth of the case is by contest between the prosecution and the accused in open trial. In fact, of course, many of these contests are notoriously unequal. But I may say that at least one of the long standing bases of inequality has been met in part in my own province at least by the new legal aid system. I am not referring specifically to that problem, but rather to the importance of ensuring that the accused, rich or poor, be not held in custody without the opportunity to secure the assistance of independent legal advice.

Curiously, we set great store by the common law canon that no man shall be compelled to testify against himself, and then ignore the fact that the fairness of the trial, in this adversary contest, may be irretrievably prejudiced before trial by the gap in the law which permits the police to hold the accused incommunicado and subject to a variety of pressures, not excluding the physical, designed to break down his will to resist the state.

My suggestion is that the criminal law should impose a positive obligation upon the police to advise an arrested person of his legal right to have counsel and to facilitate his early contact with counsel. I do not accept the adequacy of the traditional one telephone call referred to in the O'Connor case. It may indeed be a lot easier to secure convictions under the present system, but I would remind hon. members that the function of our criminal process is not to secure convictions but rather to do justice.

A word should be spoken here about organized crime. The hardened criminal is far less subject to the psychological pressure of arrest than is the person who is in conflict with the law for the first time. The professional knows he does not have to talk and that any inducements offered to him by the police are illusory. He may well have greater cause to fear physical violence, but then he may be more hardened to it. Not without reason, he may have cause to believe that his associates already have set in motion the process of habeas corpus or otherwise to secure his freedom. Once again, the very class against whom law enforcement officers cite the law as being required is frequently least subject to it.

It seems to me these are two aspects in which the power given the state unreasonably outweighs the rights of the individual. I have a deep suspicion that many more such anomalies exist in our Victorian criminal laws.

The second of the major areas in which I feel that our slowness in law reform has worked prejudice for the individual has been that of the civil law under federal jurisdiction. Here again I should like to pick two examples: The priority over other creditors which the crown claims for taxes; and, the heavy stick which crown expropriators swing against small property owners. In respect of the first, a brief review of the federal taxing statutes illustrates what an advantage the treasury claims over other creditors. With regard to income tax and sales tax, for example, the respective laws provide that all taxes, penalties and costs can be claimed by the crown as a debt due in either the exchequer court or other competent court.

In the case of income tax, what the Department of National Revenue commonly does is to issue a certificate that the tax has not been paid. That certificate simply is registered in the court as proof that there is a sum due. It is entirely equivalent to the situation of a businessman who has sued and obtained a judgment for a debt. The difference is that the crown is given the right to skip the ordinary court proceedings and has the amount of the debt set at what it claims, not at what a court has found. This situation works a particular hardship on other businesses in the case of the bankruptcy of a debtor business. Under the Bankruptcy Act the crown is given a priority over other creditors, so, with only a limited body of assets left, the crown can move in and claim payment in full before any of the suppliers of the bankrupt business can collect a nickel. This kind of bad debt which a business failure generates falls particularly heavily on the small supplier who has neither the leverage to compel earlier repayment nor the financial resources to sustain a loss. The inherent weakness of his position becomes a disaster when the agents of the government move in like a flock of gulls and eat up all the assets.

In another situation, the priority given for government taxes works a particular hardship in the case of the intrepid creditor pursuing the hidden assets of a chronic non-payer. The writ of extent, which is the authority issued by the exchequer court to collect the tax debt against property, can be used by the department to claim prior security in hidden assets smoked out by an energetic creditor. The creditor does all the work and the revenuers move in to reap the benefit, like a

bunch of in-laws. But I hasten to say, quite unlike my in-laws.

As between the small businessman and the government, why should the government have all those advantages? Why should not the government be confined to the same rights as any other creditor? I suggest that the respective taxing statutes should be changed to take away the crown's priority for taxes and put it in the same position as other creditors. Surely the important principle here in connection with bankruptcy or non-payment of debts is who can best afford to bear the loss, the small businessman or the vast resources of the government? The answer is obvious.

It seems to me that the wide array of pre-emptive weapons which the tax collectors have been given has grown up not as a result of conscious policy, but through the draftsman's habit of sticking into the various taxing acts rights which were in the original precedent. I think the time has come to reverse that process.

Another example of unfair advantage between government and a citizen is in the case of expropriating small holdings. The hon. member for Bow River (Mr. Woolliams) already has set out a critique of the expropriation procedures and has questioned some of the basic principles. I do not intend to cover the ground again. What I should like to refer to is the unfair position in which a person of limited means finds himself when faced with the land taking juggernaut.

• (3:20 p.m.)

As the hon. member for Bow River has stated, it is the policy of federal expropriation authorities to make a first offer which, on any objective standard, is absurdly below the real value of the property. In the case of larger holdings in the hands of people with financial resources, their bargaining position is better because they have recourse to legal proceedings in the exchequer court, and in the general perspective of reported expropriation cases the landholders seem to have done pretty well.

But in the cases of smaller properties of $3,000 or $5,000 value, the exchequer court is not an option because the very cost of the proceedings would eat up the award. I have a suspicion, for example, that the National Capital Commission in its expropriation for the Ottawa river driveway was in a position to force small cottage holders into settlements that on an objective basis would not be regarded as fair. The problem in this type of case is that there is no objective basis such as a court hearing in which the fairness of an offer can be tested. What is called for, it seems to me, is some sort of small claims tribunal for expropriations so that by an inexpensive and relatively rapid procedure values could be ascertained if no settlement is reached. Perhaps the Tax Appeal Board could serve as an example of the type of relatively informal tribunal in which these claims could be adjudicated.

In each of the instances which I have given the existing procedures are unduly rigid. The state has, it seems to me, armed itself with far heavier weapons than effective government requires, and the use of the weapons does needless damage.

The final aspect of my remarks, Mr. Speaker, would be with regard to an administrative review procedure, which was referred to in the speech from the throne of April, 1965, but I regret was not mentioned in the last speech from the throne. Certainly the critical nature of the problem has not diminished. We have heard discussions from time to time of a possible administrative procedure for Canada and three foreign examples have been cited, namely the Scandinavian institution of ombudsman, the American federal example of administrative review procedure, and the French system of the conseil d'état.

Looked at objectively I would say that the third is probably the best precedent and certainly the most successful, but perhaps we should in this regard invoke the caution that the institutions of other states should not be copied without a very profound appreciation of their historical evolution and of the society in which they were produced.

First with regard to the ombudsman, this has certainly been very much in vogue, but how much do some of its advocates really know about it? I would suggest that in view of the nature of the problems in Canada there are reasons why the ombudsman would not be desirable. In Canada the ombudsman must be bilingual, he must be able to deal with a broader range of problems, larger geography and larger population than in the case of some of those countries which already have an ombudsman. Countries like Denmark and New Zealand are homogeneous, unilingual, unitary states of relatively small size and geography. In countries such as these the system appears to work well, but in the case of a country the size of Canada the problem is one of sheer volume, which will therefore require

more than one person; it will require, in essence, a panel. To this extent it begins to resemble the conseil d'état. There is the further problem that if you have more than one person acting in this role there is the difficulty of assuring uniformity of treatment and continued efficiency of the system.

The American administrative procedure act that has been put forward can, I think, be dismissed fairly rapidly because of its limited application. In essence it provides an entry into the general legal system, but these administrative proceedings in the United States have been notable for their complexity, length of time and amount of legal costs. The history of the conseil d'état has, in my opinion, been distinguished by a very high quality of performance, rapidity of dispatch and relatively low expense. The essentials in this type of administrative review are speed and low cost. This, if I may say so as a member of the profession, should at once rule the lawyers out. In this regard I would say that the Tax Appeal Board, for example, has not been a success when judged by this standard because it is too much like a court.

There must be consistency of judgment. This is why I make the choice of a conseil d'état over an ombudsman. If you want to assure equal treatment for all cases across the country, in my opinion the conseil d'état is the best system because cases are dealt with by a panel. There must be equality of treatment in this respect and there should be ease of access to the tribunal.

Finally, Mr. Speaker, the cost of appearing before the tribunal should not only be inexpensive but I would suggest there should be a system instituted which would not prevent a person of limited means taking advantage of the system. I would suggest that in this regard there should be something perhaps in the nature of veterans advocates who are now available to deal with applications to the Canadian Pension Commission. This type of institution might be extended for the purpose of general administrative reviews.

The practical and essential characteristic of a good administrative review procedure is surely obtained through the production of documents. Surely in any case affecting the individual and the state there should be the production of documents. The individual should have the right to have produced to him the government's file about himself. In the long run the mere right to the production of documents is perhaps the individual's best opportunity for an administrative review. The exceptions, of course, will be in security cases and a limited number of other cases where the security of the state must be pre-eminent, such as cases concerning defence and negotiations between states and others in the field of external affairs, and private and personal information relating to other individuals. I am not satisfied that at the present time there is an effective means for protecting the individual in matters of Canadian administration.

These, Mr. Speaker, are some of the points I should like the government to examine for the purpose of introducing legislation that will make the right of the individual pre-eminent over the great power of the state.

Mr. Matheson: Mr. Speaker, I should like to ask the hon. member a question on the matter of an ombudsman. Would he feel that there might be virtue in testing the ombudsman principle departmentally? I am thinking particularly of certain departments such as Veterans Affairs, which has had its problems respecting pension appeals, and National Defence in view of the unification program we are commencing and which will obviously present new problems. I would suggest also the penitentiary and parole services under the Department of the Solicitor General. Would the hon. member feel that there might be any virtue in an ombudsman being established within certain departments, to see how the ombudsman system would work out?

Mr. Macdonald (Rosedale): Mr. Speaker, I would adhere to the argument I made earlier. I think the more efficacious institution has been that of the conseil d'état. I would like to see an administrative tribunal made up of more than one individual; I would like to see it made up of a panel of individuals who could share the same, I hesitate to use the word "jurisprudence" but who would have the same philosophic approach to administration. In this way I think there would be consistency applied to cases across the country. The ombudsman system has received a great deal of popular support, but I am sure the conseil d'état could be made to work more effectively in a country of our size and population.

• (3:30 p.m.)

Mr. J. H. Horner (Acadia): Mr. Speaker, in rising to take part in the debate on the speech from the throne I intend to deal to a great extent with the subjects of agriculture and transportation. In opening my remarks I

would say that I agree with the previous speaker and have grave doubts that the ombudsman system would be a solution to all constitutional problems and problems of constituents, in view of the continuous build-up of bureaucracy by this government, provincial and municipal governments.

Having said that, I shall leave that subject and concern myself with the question of agriculture. We notice in the speech from the throne that some mention is made of agriculture. I am pleased to hear the Minister of Agriculture (Mr. Greene) is going to set up a fact finding policy group which will be able to devise an agricultural policy for him, something which he has been unable to do in the 21 months he has been in office. If one were to study his background he would find that the minister was born and raised in Toronto and that he is a lawyer by profession. Later he moved to the small town of Arnprior. So one can readily see that he has had very little to do with agriculture, and therefore is at a loss to devise an agricultural policy for Canada. I as a western farmer have often wished that the former minister of agriculture had the silver tongue of the present minister. Perhaps the combination of the former minister's knowledge and the present minister's silver tongue might have produced a spokesman for the farmers of Canada. We in western Canada have recognized the grass roots knowledge of the agricultural industry possessed by the former minister of agriculture, who is now a senator. Unfortunately he was not able to provide us with leadership, partly owing to the fact that he was unfamiliar with parliamentary procedure and thus was unable to transmit his ideas to paper.

The present minister is given to the use of verbiage and very little else. So I take heart, with many other western farmers, in that part of the speech from the throne in which it is said that the Minister of Agriculture will be charged with the project of setting up a special task force which will be recommending policies to meet agricultural goals. I hope that after 21 months in office the minister will have found himself and placed his feet firmly on the ground. I sincerely hope he will be able to deal with the agricultural problems which are facing this nation.

There are grave and serious problems before us. Never before have we had a society so affluent and so able as the one in which we live today. Yet, never before have we seen so much unrest in the agricultural industry.

[Mr. Horner (Acadia).]

Milk prices have been low and subsidies have been paid. Nevertheless the farmers are prepared to march on Ottawa. We must try to analyse the problems which confront our farmers. Wheat marketings have been higher than was expected a few years ago; yet there is dissatisfaction among the wheat farmers. The recent international wheat agreement recommended an increase of 21 or 22 cents in the price of wheat. When the president of the Alberta wheat pool was informed of this by a newspaperman he said he could not believe it, that he did not think Canada would accept so small an increase. I point this out, Mr. Speaker, to convince you and the rest of the house that wheat farmers are not satisfied, nor are dairy farmers. I could go down the list and mention the vegetable growers, the beef producers and others who are dissatisfied. We find ourselves in an affluent society, at a time when our economy is booming, and yet every segment of the agricultural industry is dissatisfied. The minister is unable to devise a policy, and so our hopes lie in the speech from the throne in which we are told that a special task force will be set up to try to devise a policy. It is the first time in Canada that we have found it necessary to import butter, eggs and all kinds of vegetable crops. The prices of the staple commodities which can still be exported are going down, and there is dissatisfaction all across the board.

In recommending an increased price for wheat the international wheat agreement did not specifically state that the committed countries have to buy grain at that price. This is the crux of the problem. Why post the minimum price of over $2 a bushel if the committed countries do not have to purchase grain from the exporting nations at that price? It is nothing more than a guide, and it is a well known fact that in the long run farmers expect to receive half or less than half of the 21 or 22 cents which was negotiated not so long ago.

Recently we have heard rumours that wheat farmers all across Canada will be seeding more wheat this year than ever before. This is very doubtful, in view of the adverse weather conditions which we have suffered in western Canada this year. Nevertheless I am still hopeful that encouragement and leadership will be given by the government, and that farmers will make an all-out effort to seed more wheat because there continues to be a large market for wheat in the world today. We are not told about the goals which

the special task force mentioned in the speech from the throne proposes to set for itself. The government is a little late in setting up this task force, to say the least.

Last fall the house dealt with a major transportation bill, and yet there was no mention of it in the speech from the throne. That measure has not been enacted in full. Only part V was enacted; but part I, which sets up the new Canadian Transport Commission and which contains clause 16 giving guarantees to the shipper, has not yet been enacted. Why is the government so reluctant to set up the commission and to get it going? Last fall we were told that this legislation had to be passed by January 1, 1967. I am sure every member of the house realized at that time that the debate was urgent and the bill had to be passed. It was passed on January 31 of this year but it has not been fully implemented by the government. What is the reason for this? Why has there been no enactment of the safeguards, which under clause 16 the bill purported to include for the shippers? Shippers all across Canada are being faced with freight increases. Nevertheless protection is not being accorded them. The new Canadian Transport Commission has not yet been fully appointed, and although the legislation enables the two railways to be competitive they are continuing to set equal freight rates. When I consulted the Restrictive Trade Practices Commission and asked them whether or not this is in accordance with their position, I was informed that they were not sure, that they would like to look into it. If competition is to exist between the two railways—and transportation means a great deal to the agricultural industry—then the Director of Investigation and Research, under the authority of the Combines Investigation Act, should look into the pricing of freight rates by the two major railroads.

Both last year and this year there has been a great deal of concern about food prices. The cost of living index went up considerably last month. What does the speech from the throne say on this subject? It sets out clearly that we are going to have a department of corporate and consumer affairs, stating:

> Within this department there will be created an organization responsible for developing new policies and co-ordinating programs undertaken within the federal government to assist the consumer and protect the small investor.

• (3:40 p.m.)

What are we going to do? We are going to put the consumer in a position of being more rigidly opposed to the producer. Everywhere we go in today's society we find the producer on the short end of the stick. The corporate entity which is going to be set up by this government will mean the placing of one more government body against the primary producer. We will then have the government providing no leadership at all in the field of agriculture. Already we have the government providing weak leadership in the field of wheat production. We have the government providing no leadership at all in the field of transportation. They introduced a piece of legislation to cover the transportation industry in this country, yet they failed to provide safeguards for the shipper. The government has not fully organized the departments to police the transportation companies, yet they were in such a rush to pass this legislation.

So we find agriculture gravely concerned about its future. We find the farmers marching on Ottawa because of milk prices. All across the country the farmers are concerned about the prices they are receiving for their agricultural products in the marketplace. Basically we find the farmers asking for greater bargaining power in the marketplace. This is what they really want—more bargaining power in the marketplace. What is this government going to do about this situation? It would seem, according to the speech from the throne, they are going to do very little, other than establish this task force.

We are told in the speech from the throne that more money will be made available for long term loans under the Farm Credit Act. There is one sentence in the speech that gives one some little hope, and it is this one:

> During the present session you will be asked to approve legislation to provide long term loans to agricultural and fisheries associations—

What does that really mean? Are we going to allow the agricultural institutions or organizations to borrow huge amounts of money—and it will take huge amounts of money—to market their own products? If this is what this sentence means, then perhaps there is a ray of hope for the agricultural industry in the speech from the throne. Speaking generally, it is interesting to note how the subject of agriculture is dealt with in various speeches from the throne. One finds that it is dealt with in general terms; there is never anything specific for which the government can be held accountable in the following years.

Last year we saw consumer prices become a real problem. Meat prices were one of the things that consumers thought were too high.

I should like to put on the record the amount a family spent on food in 1949. In that year a family spent 24 per cent of its disposable income on food, and in 1965, 20.3 per cent of disposable income was spent on food. Of the amount spent on food in 1949, 22.4 per cent was spent for meat, while in 1965 the amount of the food budget spent on meat was 21.7 per cent. In other words, the percentage of the working man's income spent on food has decreased over the years; also the amount spent on meat has decreased over the years.

These figures would lead one to believe that the consumer is either buying less meat or poorer quality meat. However, this is not the case. In 1946, for example, the average consumption of meat in Canada was 60 pounds per person. In 1960 it was over 80 pounds per person. The consumer was therefore buying more meat with less money than he did back in 1949.

Then, you might ask yourself if the consumer is buying better quality meat. The answer to that is obviously yes. In 1949 about 6.4 per cent of the slaughtered cattle in Canada graded choice, the top grade. In 1965, 33 per cent of the cattle slaughtered graded choice. The farmer's product has increased tremendously in quality, while the consumer has increased the amount he uses. At the same time, the amount he spends on food in relation to the amount he is earning has decreased. Surely one would argue, therefore, that the farmer should have more bargaining power in the marketplace. One would have thought that would be obvious; but this is not the case. He finds he has less and less bargaining power in the marketplace and his product is selling for less and less.

We find monopolies developing in the transportation industry, monopolies developing in the cattle marketing industry, monopolies developing in the milk marketing industry. One has only to study the companies that bottle and pasteurize the milk the dairy farmers haul in, to realize the truth of this statement. We find that the monopolies developing are encouraged by this government. For example, in the meat industry one could cite Canada Packers and one could go into the set-up of Safeway stores and their purchases of many of the dairies throughout Canada. The transportation industry speaks for itself. No action has been taken by this government to watch over the competitive factors that must be the key to that industry.

Returning to the beef packing industry, last year Canada Packers told the consumer prices committee that they handle 28 per cent of the slaughtering of beef animals in Canada. They are prepared to maintain their control of that 28 per cent. In the United States one observes the packing plants moving into the feed lot business. Last year a Senate committee studied the whole problem of whether or not packing plants in the United States should be permitted into the beef feeding industry. Today in Canada we see the packing plants moving more and more into this feeding business.

The farm paper called *Country Guide*, which is published in Winnipeg, produced an article which clearly set out the fact that Canada Packers had attempted to control meat prices. They realized they could control meat prices if they had a source of supply to keep their packing plants busy. Today in Canada we see the packing plants purchasing more cattle and operating more feed lots than ever before. They have a fully integrated business. Perhaps this procedure is economically justifiable if one is the operator of a packing plant, but it puts the primary producer at a grave disadvantage. This is one more instance in which we find the primary producer on the short end of the stick. It is no wonder the farmers are demanding more bargaining power in the marketplace. We see the farmers in the United States and Canada coming out with a resolution that they will not buy farm machinery. They feel this is the only weapon they can exercise to try to convince the authorities.

Really, though, this is a negative approach. If they need new machinery to take the place of hired help or reduce the number of man hours needed to produce their commodities, then the most efficient thing for them to do is to buy new equipment. If one really wanted to analyse the situation, then ceasing to buy new machinery to reduce the cost of production is really a negative approach. It may be successful however, in convincing the authorities, in a sense, that this is a serious factor in the economy of this country.

• (3:50 p.m.)

The agricultural industry still employs more people in Canada than any other industry. Yet the government is paying less and less attention to this basic industry, the industry on which Canada was founded and which still has a major part to play in society. It is often said by the experts, by professors and by anyone who feels he can offer advice to another industry, that the agricultural industry must become more efficient and must

modernize. Above all, it is said that there are too many farmers, that the small farms must disappear.

This, Mr. Speaker, is not necessarily so. The farmer is the most efficient producer in society today. It might interest the house to know that I have before me some figures produced by the Dominion Bureau of Statistics relating to the agricultural efficiency index, using the year 1949 as 100. To the question as to whether the efficiency of agriculture increased or decreased compared with other industries, I would answer that the agricultural efficiency index now stands at 276, compared with the general manufacturing index which stands at 176, and the commercial, non-agricultural industry index standing at 152.5. So that since 1949 the agricultural industry has increased in efficiency far more than any other single industry in Canada.

The agricultural industry has also in many cases increased both the quantity and the quality of its products. Yet these experts and professors are telling the farmers that some of the small farms will have to go. The only reason to justify such a suggestion, Mr. Speaker, is if the industry is not increasing in efficiency and is lagging behind society. But this is not the case; the industry has increased its efficiency tremendously.

What the industry does lack, however, is power at the market place.

The agricultural industry was shortchanged by this new wheat agreement which provides a 22 cents a bushel increase, announced with great fanfare last week. The president of one of the biggest marketing agencies in Alberta exclaimed that surely this was not so, that Canada would not agree to the stated amount. He said that they know we need more. Yet Canada did agree, Mr. Speaker, and naturally the wheat farmers are disappointed, as they should be.

Last session this house enacted a transportation bill to aid the railways, but the primary producer was once again on the short end of the stick. We see the milk marketing situation going from bad to worse, with no real intervention being made by the government to police the operation, and monopolies are moving into this industry to a greater and greater extent.

The Minister of Agriculture announced in Winnipeg that there will be no further subsidies to the milk producers. Naturally, Mr. Speaker, that made them happy—happy in their efforts to rid Canada of the present government. That is really about all that could make them happy. What they need is more power at the marketplace. If they cannot market their milk and milk products under more suitable arrangements than at present, Mr. Speaker, then they should be given a subsidy. If they are to be asked to subsidize the consumers of Canada, then they in turn should be subsidized. They should not be required to produce the primary products of this country at a rate which will not give them an equitable return for their labours.

We also see agitation from time to time in the cattle marketing industry suggesting that what is required are marketing boards. Let us be quite frank, Mr. Speaker; marketing boards would not raise the price of cattle one little bit in Canada because the price of cattle in Canada bears a close relationship to the price of cattle in the United States.

Today, 10 per cent of the fat cattle sold in Toronto sets the market price for the other 90 per cent. The packing plants are buying cattle direct, either from the feed lots or the farmers. Ten per cent of the fat cattle that are sold set the price for the other 90 per cent that are sold to the packing plants. Calgary calls itself the cattle marketing king of Canada, the centre where more cattle are raised and marketed than anywhere else in Canada. But even in this free enterprise society the packing plants buy 66 per cent of the fat cattle direct from the feed lots or the farmers, and the other 33 per cent set the price. This cannot continue. I would say to this fact finding group, that is going to devise an agricultural policy for a minister who cannot devise one for himself, that we in Canada need a cattle marketing commission to aid the farmers and to give them more power in the marketplace.

A number of years ago we set up wheat pools for the marketing of wheat in western Canada. That was followed by the wheat board, which was designed to give more power to the farmers in the marketplace in marketing their wheat. It now appears that it is not the wheat board that negotiates wheat prices, but that in many instances it is the government of Canada that is the sole negotiator of those prices. Two years ago this government failed to argue its case with the United States government and as a result the price slipped something like 17 cents a bushel. This was due to the inactivity on the part of the minister of trade and commerce at that time.

I suggest that agriculture has really become a less important cabinet portfolio than it was. The government are setting up new departments, most of which are a hodgepodge of other departments. The government set up the Department of Industry, which is a hodgepodge of the former Department of Trade and Commerce. The Department of Manpower and Immigration has come into being, and this is a combination of the former departments of labour and immigration. We now see another department is to be created —for a department, in essence, is what it is—a consumer affairs department. We have also set up a Department of Forestry and Rural Development.

I am afraid, Mr. Speaker, that in the building up of all these departments less and less importance is being attached to the Department of Agriculture. And above all, the government appoints a Minister of Agriculture who knows very little about the subject, and who after 20 months in office has to be given aid in developing a policy. I would urge this task force to give speedy aid to the Minister of Agriculture.

• (4:00 p.m.)

[*Translation*]

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, at the outset of my remarks, I must, like all my colleagues, congratulate the mover and seconder of the address in reply to the speech from the throne. I do so with great pleasure, inasmuch as everyone is unanimous that the hon. members for Burin-Burgeo and Nicolet-Yamaska (Messrs. Jamieson and Côté) have fulfilled their task exceptionally well and have brought honour to the people of their respective constituencies.

Mr. Speaker, this session of the centennial of confederation, to my mind, is a very special one. It should, I think, be one of the outstanding events of 1967 and help enhance parliament in the eyes of the Canadian people, not so much by the quantity of legislation which will be enacted as by the atmosphere it will achieve across Canada namely an atmosphere of understanding, dialogue and confidence in our institutions and in public men, and finally a guarantee of a better future in the economic and social fields.

Perusal of the speech from the throne shows a noticeable intention of the government to create such an atmosphere. Realism was sought by the avoidance of over-simplification of the problems and a general review indicated the considerable task remaining to be done, if the lives of all Canadians are to be improved as they should be.

[Mr. Horner (Acadia).]

Obviously, some people have claimed as usual that the speech from the throne offered nothing extraordinary or exceptional. But, on the whole, the comments are favourable on the government's listing of its responsibilities in different areas and of its determination in finding final solutions.

Towards the end of the speech from the throne he was reading, His Excellency the Governor General, to whom I would pay homage for his appointment and for the way in which he fulfils his duties, quoted the remarks of the first Governor General of Canada. It is surprising to realize to what extent this 100 year old text is still applicable today, in this centennial year. That is why, Mr. Speaker, I take the liberty of quoting them again:

> Within our borders peace, security and prosperity prevail, and I fervently pray that your aspirations may be directed to such high and patriotic objects, and that you may be endowed with such a spirit of moderation and wisdom as will cause you to render the great work of union—

Those words were spoken 100 years ago.

> —which has been achieved, a blessing to yourselves and your posterity, and a fresh starting point in the moral, political and material advancement of the people of Canada.

As you can see, the centennial message refers to peace, security, prosperity, aspiration, moderation, wisdom and finally a fresh start.

That fresh start is just as real today as it was 100 years ago, but today we also have to face an overall change in our twentieth century world where everything is put to test and where only progressive and determined men will manage to get the confidence of the people.

The time of small electoral promises and great oratory is gone, because many of our problems have a world or North American background and the people expect us to face them in a serious and responsible manner. When looking back, we can easily appreciate and assess the progress made in the last 100 years. Our country has reached a standard of living which is coveted by other countries in the world. We are still developing rapidly and there is more in store for us in the future.

Such assertion is surely an actual fact which deserves a celebration in this centennial year, but we must not stop there,

because the challenge of the years to come, especially in the economic field, goes far beyond what we can imagine today.

There is also, Mr. Speaker, the problem of our constitutional evolution, which many put in the forefront on account of its effects on the relationship between our various levels of government, and its consequences—which is of significance—on the formulation of future policies in the various fields of jurisdiction.

Yet, it seems easy for some to extol overall solutions, such as writing immediately a new constitution. But I wonder how we could achieve this in a short time, when we have yet to agree on a formula to amend the present constitution, precisely because the province of Quebec fears that it would lose, through future amendments, some of the rights it now holds.

In addition, so far as I know, promoters of a new constitution have not yet put forward definite proposals that might serve as a basis for an immediately study.

As far as I am concerned, I believe it is our duty, as members of this house, to work within the bounds of the present constitution and to continue, under the skilful leadership of the right hon. Prime Minister (Mr. Pearson), to make the country progress economically and socially, while doing our utmost to maintain a spirit of co-operation, of dialogue with the provinces.

I think, Mr. Speaker, that this centennial session is the appropriate occasion to pay tribute to all the great Canadians, to all those who contributed to our country's development during the last hundred years and particularly to those who assumed successively the functions of prime minister of Canada.

We have here in this house the present Prime Minister and his predecessor, the Leader of the Opposition (Mr. Diefenbaker), two Canadians who spent their whole life serving the nation, and I think it is our duty to thank them for it and to pay tribute to them.

To come back to the debate on the government policy stated in the speech from the throne, I find it impossible to deal with the 25 or so matters mentioned therein. That is why I will limit my remarks to some specific points.

First of all, I was very happy to see emphasized the need for a revision of the rules of the house, and I hope we may agree on certain changes which will make our proceedings more efficient.

The preface to the second edition of a book distributed by the Interparliamentary Union entitled "Parliament", which is a comparative study of the structure and mode of operation of representative institutions in 55 countries, says that:

> Parliamentary reform, greater control by parliament over the executive, new parliamentary procedures to meet greater needs—all these are being studied and greatly discussed.

A little further on, there is this passage:

> The institution which best represents a nation and serves its true interests is not necessarily one which has been laboriously developed during a determined period in history. On the contrary, it is one which has changed and developed through constant effort in the light of experience accumulated under changing conditions.

This means that the problem of parliamentary reform is universal and that we should examine this question in the best interest of our democratic system. Personally, I think that, in addition to the changes which should be made in the rules of the House of Commons concerning the elimination and restriction of certain traditional debates which lead nowhere, the elimination of certain stages in the passing of government legislation, and the consideration and adoption of estimates, it is of the utmost importance that we re-examine thoroughly the status of the standing committees of the House of Commons. Those committees provide us with an instrument which can be very useful to parliament, and I think that the house should modify their structure so as to grant them a greater degree of autonomy, greater freedom in organizing their work and the funds necessary to hire research personnel.

• (4:10 p.m.)

As chairman of the committee on veterans affairs this past session, I would have liked the committee to sit from last fall until the end of the session, a few days ago, in order to complete the comparative study of our veterans pension plan.

During our trip to Europe in July 1966, we gathered in various countries some very interesting information on the benefits enjoyed there by veterans. It would have been most useful for the committee to have had the opportunity, on returning to Canada, to study this matter more thoroughly and to ask the departmental officials to testify before it, so as to obtain more information and their views.

Since we had already referred the departmental estimates back to the house and submitted our report on Dr. Richardson's study on Hong Kong veterans, we had no authority

to meet, and we lost four or five months during which we could have prepared more properly for the work still to be done on the Woods report to be submitted shortly.

Mr. Speaker, in that connection, I must say I was disappointed at not finding in the speech from the throne any reference to veterans, to those who went overseas to defend their country and democracy and who sacrificed part of their health to enable younger generations to live in peace and freedom. I fully agree that the government is concerned with economic development, manpower, scientific progress, trade, etc., but I feel that nowadays those who served their country as gloriously as our Canadian soldiers are easily forgotten.

It is true that we pay them a very moving tribute on Remembrance Day, but after all, those of our veterans who suffered the hardships of war and came back marked for life should not be considered as second class citizens. At times, I deplore this modern world in which everything seems to be discarded in favour of technology and electronic machines and everything is judged and appraised according to its effectiveness, output and future potential.

It is true, Mr. Speaker, that our assistance program for veterans is better than in certain countries, if not in most. May I add that these benefits must relate to the North American context and bring about a measure of well-being equivalent to the average of the population.

People talk about retraining and increase of workers' income, but the fact remains that the veteran is the worse paid Canadian considering the services he rendered to the nation, to society and to the world. Retrained or not, he will never regain what war atrocities took away from him.

I recognize that the Woods commission was created to consider the functioning and administration of the Canadian Pension Commission, and that we could hardly expect in the speech from the throne proposals for important reform to existing legislation.

At this stage, I take the opportunity to inform all members and perhaps to correct certain remarks made yesterday, that the Woods commission enjoys the full confidence of the veterans' associations and especially the Canadian Legion. I know that these same associations readily accept that this report may be somewhat delayed, because they are convinced that the commission has carried out its work in an unbiased and responsible way, and that the recommendations will be more effective for it.

However, Mr. Speaker, I think that, in this centennial year, the speech from the throne should have included at least a statement of intent, and even certain projects concerning matters not provided for in the studies of the Woods commission.

Before passing to another matter, I shall simply mention a few, namely: the basic rate of pensions and allowances, which should have been changed long ago, a system allowing for automatic pension increases based on a definite standard, such as the cost of living, salaries, etc., and let us not forget the project of a memorial for the veterans of the two world wars in the national capital, and the eventual development of the Vimy park, that Canadian soil to the memory of veterans in France.

Therefore, I hope that before the end of the year the government will bring forward some concrete measures to show its concern for war veterans, through the good offices of the minister in charge of this department.

Mr. Speaker, the speech from the throne refers to regional development, foreign investments, retraining of workers, for which the government should be congratulated, but I take the liberty of adding that, at the same time, we should not forget our responsibilities, especially as concerns existing industries, and our duty to maintain in our country an environment conducive to their development.

I refer especially to the textile industry which is now experiencing a very heavy competition from foreign imports, especially Japanese, which have increased by 72.7 per cent from 1964 to 1966 inclusive. It is a known fact that the industry which was going through a serious stagnation period in 1950 has succeeded in recovering and investing from 1961 to 1966 an amount of $635 million. However, the present situation shows that a major deterioration can be expected in 1967, unless the government takes some action to protect that industry which provides employment for 200,000 persons.

I know that the government is conscious of the problem and that it will succeed in taking a firm stand during negotiations which are under way with Japan, so as to avoid disastrous effects for the Canadian textile industry.

In the field of urban development, I am pleased to congratulate the government for the step taken last year, when it signed an

agreement with the government of the province of Quebec among others, in order to undertake pilot surveys in certain municipalities which will lead us, I hope, to the establishment of a general program of urban development throughout the province. In the past, such an endeavour had generally been left to private enterprise or to individuals but it is advisable that the two levels of government should take some practical measures in that field which are bound to complete the services already offered under the National Housing Act through the Central Mortgage and Housing Corporation.

As the problem of water pollution, which seems to be on the priority list of the government, cannot be solved at the national level only, I hope that the central government, in addition to passing this new water legislation, as announced in the speech from the throne, and in addition to co-operating with the provinces, will not forget to amend the National Housing Act, which provides for municipal loans for building water purification plants and sewage systems. As many initiatives in this field can originate at the municipal level, I am of the opinion that the remission of part of the capital and interest during the construction period, which is now 25 per cent, should be raised to at least 50 per cent or more, for I am convinced that will mean concrete services and give immediate results.

• (4:20 p.m.)

With regard to agriculture, Mr. Speaker, at a time when Ontario and Quebec farmers talk of marching on the Canadian capital because of the dairy policy of the government, it is still comforting to see that a special team, headed by the hon. Minister of Agriculture (Mr. Greene) will be entrusted with defining our objectives in the field of agriculture and with recommending such programs as will be considered necessary to attain those goals. Poultices have been used far too long to solve agricultural problems and it is good to see that a solid foundation is being sought on which to develop, in conjunction with the provinces, a national farm policy. Still, that will not solve anything this year and, especially, not satisfy the dairy producers. I trust, however, that as a result of surveys now under way on the dairy policy for the current year, and representations from the majority of the members, certain anomalies will be corrected on which the present discontent is founded. One of my colleagues on this side of the house will go further into that matter this afternoon.

Mr. Speaker, the Canadian people are certainly not indifferent about what is going on in Canadian politics and in each capital throughout the country, as people everywhere, they expect from those various levels of government measures which will help them continue their efforts towards the progress and development of the country. I think, however, that they are worried about a problem which affects them perhaps more deeply than is imagined, namely that of the political context in which we have been living for the last few years, where overbidding, shattering statements and public conflicts make the headlines every day and give a false idea of our Canadian society.

It is true that we are now going through a period of political evolution, that many matters are being re-examined and that the aspirations of the various Canadian groups are becoming increasingly distinct. But I wonder nevertheless whether we might not succeed in solving our problems in a more discreet and perhaps more enlightened manner around a negotiation table, through open and constructive discussion.

Of course, it is sometimes necessary in political circles to arouse public opinion. But I wonder if it is really enlightened by some of our attitudes and our off-hand approach to certain problems, especially constitutional problems.

At this point, I am not speaking of those who do not believe in Canada and who would destroy it; I am thinking mostly of our public men who are in power and who all seem to want the same thing, namely to reinforce Canadian unity through a better understanding of each others' problems.

In this year of the centennial of confederation, during Expo '67 whose theme is "Man and his World", at a time when His Holiness Pope Paul VI is appealing for brotherhood throughout the world, should we not open up our minds to the world by starting to practice those great principles of brotherhood which were suggested, particularly by the Canadian bishops in their letter to all canadians on the occasion of the centennial of confederation?

I shall close by quoting a paragraph of that letter:

> It is not being brotherly to be content with abstract formulas, verbal statements or sterile hopes, be they as generous as the whole world is big. It is not being brotherly to love mankind in the abstract or to make noble dreams of solidarity with far-off brothers while taking an attitude of meanness or hostility towards those nearer to us. True brotherhood must create immediate and practical

solidarity; it must be real and materialize in an actual interest for the welfare of a group, an area, a specific human family. But, on the other hand, to conform to the Gospel, concrete brotherhood must not be restrictive. No group has the right to feel it is the centre of everything to the point where the call of others is no longer heard nor their needs heeded.

The true drama of human history, is that man too often yields to the temptation of building self-centered brotherhood.

Mr. Speaker, I realize the time allotted to me has gone by faster than I expected. I would have liked to deal a bit with two or three other items, namely broadcasting and television as well as the arts, but I shall do so during some future debate.

[*English*]

Hon. E. D. Fulton (Kamloops): Mr. Speaker, although wishing to join sincerely in the congratulations extended to the mover and seconder of the address in reply, and of course wholeheartedly in the cordial sentiments expressed to His Excellency, nevertheless no one participating in the debate on the throne speech itself can fail to feel and to express regret that the speech should be so bare of outline of any statement of objectives which might give some encouragement and leadership to the Canadian people as we enter upon the one hundredth year of our history.

Indeed one of the things the throne speech has done, and unfortunately about the only thing it has done, is to increase the sense of concern, the sense of frustration of the Canadian people who are looking, longing and waiting so anxiously to see some signs that their government is going to come to grips with the problems that concern the people and give some program to launch us on the direction that the country needs in the second century of our existence.

People are looking and waiting to see these signs, Mr. Speaker, I have been across Canada quite extensively during the past few weeks and I find that the Canadian people are deeply concerned about the attitudes of governments and the role and relationship that should prevail between government and people. They are deeply concerned about the weight of government, the weight of the different levels of government but primarily of the federal government on their backs. They are deeply concerned over the inefficiency of government. They are deeply concerned because they find that notwithstanding increasing expenditures and increasing taxes, the problems that require action by government do not seem to be receiving the attention of the government.

[Mr. Laniel.]

The people are concerned because the problems mount, and the lack of action mounts in direct relationship, it appears, to the cost of government. They are concerned over taxes. They are concerned over the fact that property taxes across Canada this year have gone up an average of 11 per cent in a single year as municipalities, especially with inadequate revenue bases, seek to discharge all the responsibilities saddled upon them and which should no longer be saddled upon them.

The people are concerned over government spending, and over the fact that federal estimates for all expenditure this year have gone up over 13 per cent in a single year, with no encouragement to hope that there will be any increase in efficiency or real action on the problems that concern the people.

They are concerned over the cost of living which mounts steadily, unheeded and unchecked by anything done by government, indeed with the increase stimulated by the kind of programs that this government in Ottawa has been following. The cost of living has gone up over one point in just this past month, probably a record increase in a single month, and the people are concerned because the government appears to be unconcerned about it, unhurried to do anything about it, concerned only to pass the buck. The best contribution the Minister of Finance (Mr. Sharp) could make was to say that the main reason for the increase lay at the door of the increased sales tax put on in the province of Quebec. Mr. Speaker, of course one regrets any increase in sales taxes. But what a feeble and impertinent excuse it is for the Minister of Finance (Mr. Sharp), who maintains a 12 per cent sales tax on building materials, construction machinery and equipment, to seek to lay the blame for this sort of thing on a sales tax applied by a province.

• (4:30 p.m.)

The nonsense of this position is demonstrated by the fact that the increase in the cost of living went up 1.7 points in Montreal. To be sure, perhaps the sales tax in Quebec had something to do with it, but did the sales tax in Quebec account for the fact that the cost of living in Vancouver rose by 1.3 points? Is the minister going to blame that on the province of Quebec, or will he accept his responsibility for the policies which has contributed to the inflationary pressures? When will he accept his responsibility to take action to establish the kind of program and tax policy—a kind of over-all governmental policy—which will give the Canadian people some relief from the

crushing burden of government, and which will bring about some efficiency in the spending of the money which is collected from them in the way of taxes?

This is what the Canadian people are concerned about. Later in my remarks I should like to suggest some of the progressive things which should be done to give us a sense of direction and prosperity as we enter upon our centennial year in the second century of our history. First, I believe it is necessary to analyse the things that concern our people, in order to understand what the problems are in the sphere of governmental responsibility in respect of which it is essential that action be taken. I am satisfied that there is a growing feeling on the part of the Canadian people that they want a government with a basic philosophy, a basic understanding, and a declaration of what should be the role of the government and the relationship of that government to the people—a government which will set forth the principles it intends to follow and state its position as to whether it intends to do more and more things for more and more people at more and more cost, or whether in fact it is going to have confidence in the ability of the Canadian people to do things for themselves and be guided by the belief that the primary responsibility of the government is to establish the atmosphere and lay down the general policies under which the Canadian people in fact can do more and more things for themselves.

This is what concerns our people; they want more freedom to move. They feel the crushing weight of government on their backs. You, Mr. Speaker, I, and everybody in this house know that the people of this country have a tremendous talent and ability—a latent talent—for doing things. The Canadian people should be able to move; they should be given the freedom to move. They want to be free to move ahead in order to insure their own future. This is the instinct which is in the heart of every Canadian. He wishes to do this so that he will be better off at the end of the year than he was at the beginning. He wants freedom; he wants the government to get off his back, at least a little, so that he will be relieved of the weight which grinds him down and freezes him in his present position.

Primarily there is one way in which Canadians can be allowed to move and improve their own position; that is, if the government will follow a general policy, a basic philosophy, which leaves to the people a little more freedom at the end of the year, a little more to invest for themselves, and a little more to enable them to have a stake in and be part of this growing and developing nation, so that they will be able to insure their future. That is what the Canadian people want. The government should set forth and follow that basic policy. It should encourage the movement forward of Canadians and the investment by Canadians in a stake in Canada itself.

But, Mr. Speaker, instead what do we find? We are served up with this throne speech, this mealy mass of words. There is no sense of direction, no clarity of position and no indication of any real understanding of the very basic nature of the country and its people. The throne speech in fact can lay only one claim; that is, if the philosophy of the present government is to be followed, the government which already occupies so many fields which it should not occupy will occupy the few remaining fields in which it does not yet intrude. That is the whole policy in the speech from the throne—a further extension of government intrusion into the management of people's affairs.

Can't you just see the Prime Minister and the members of his cabinet when they sat down to draft the speech from the throne. Perhaps this is the reason the Prime Minister called back the President of the Privy Council (Mr. Gordon). Perhaps he wanted him to write it from the left wing point of view, along with the points of view of the other members of the government. You can just see them sitting there as they ponder it. One can picture the Prime Minister asking the President of the Privy Council what should be their basic theme, and the President of the Privy Council replying that perhaps it should be a further extension of the government's activities. I can just hear the Prime Minister replying, "I guess you are right. All right, we have made a first class mess of the others; let us see what kind of a mess we can make of these." This is precisely what will be done; they have started already. They certainly are making a first class mess of their own cabinet, and of the doctrine of cabinet solidarity and responsible government.

What a mockery it is when a Prime Minister excuses, apologizes, and walks around the fact that one of his senior ministers has come out with a statement on an important fundamental matter of policy which is radically different from the policy enunciated by that responsible spokesman the Secretary of

State for External Affairs (Mr. Martin), and himself. What a mockery this makes of the system of responsible government. If in fact—and I suggest that the Prime Minister's attitude comes very close to it—this government and this Prime Minister no longer believe in and have decided not to be bound by the doctrine of cabinet solidarity and responsible parliamentary government, why do they not be honest enough to say so, so that there can be frank discussion, instead of seeking to hide it away while they deliberately follow courses which are meaningless.

Mr. Speaker, responsible parliamentary government means that this parliament is able to hold the government responsible. The government is responsible to parliament, and in this parliament to the people; but how can you hold the government responsible when its policies and positions are like little quicksilver fragments, and when five or six ministers are able to state five or six different positions and then say that they are speaking as private citizens and not as cabinet ministers?

When a man is called upon, and agrees to assume the solemn duties and responsibilities of cabinet office then he must assume those responsibilities and be bound by them. If he does not care to assume them, then he should not join the cabinet. If he should find that the policies of the government are those which he cannot support, then, as a matter of conscience, he should resign. But he cannot, and the country cannot, afford the luxury which allows a cabinet minister the right to speak as a private citizen and continue to be a member of the government. Those two things are simply incompatible. They make a mockery of responsible government. And responsible government is not just a hollow form of words; it is what this parliament is here for, it is one of the chief things parliament is all about.

• (4:40 p.m.)

I address these remarks to hon. members on the other side of the chamber, who I am sure are as much concerned about this situation as we on this side. Hon. members opposite also have the responsibility to their constituents of holding this government to account. How can members of parliament hold accountable a government whose position is completely indiscernible and is fragmented into as many variations as there are members of the cabinet?

Mr. O'Keefe: Where do you stand?

Mr. Fulton: I stand here in the House of Commons endeavouring to bring to the minds of hon. members opposite, including the hon. member who just interrupted, some sense of their responsibilities and duties, and indeed rights, as members of parliament. I suggest to the hon. gentleman who interrupted that he has as much of a duty, right and responsibility—I refer to the hon. member for St. John's East (Mr. O'Keefe)—as I have to hold government accountable and responsible. But because of interjections of the kind he has just made, I fear—if I may suggest this to him kindly—that he is not showing a very great readiness to discharge that aspect of his responsibilities.

Mr. O'Keefe: Mr. Speaker, may I ask the hon. member a question?

Mr. Fulton: So, Mr. Speaker, we see the spectacle of a government and a Prime Minister (Mr. Pearson) unable or unwilling even to resolve the difficulties in their own cabinet, a government frozen into inaction with respect to the things that really matter and the problems that concern the Canadian people. We see the situation as exemplified by the travesty enacted here by the President of the Privy Council (Mr. Gordon); we see it in the travesty represented by the lack of information on the Geneva agreements on tariffs and trade.

Heavens, Mr. Speaker, this government has been negotiating those agreements for about two years, and one would have thought that in that length of time the ministers would have become reasonably familiar with the effects of the tariff changes. If they have not become familiar with them, I am sure their advisers, those who conducted the negotiations in detail, are familiar with them. Yet we are told by the government that they are completely incapable at the present time of outlining for Canadian industry, Canadian agriculture, Canadian business and Canadians generally what will be the effect of the tariff changes which they have now agreed to and to which they have committed the country.

An hon. Member: They will not even list them.

Mr. Fulton: They will not even list them. They refuse to answer questions in this respect. They are frozen into inactivity when it comes to taking action and giving information on the problems concerning the people. I am very much concerned with the government's position on the Geneva agreements because I read in today's press that whereas the United States does not intend to implement the

changes in detail except over a five year period, our government, although they will not inform the Canadian people of the effect of the changes, are committed to put the agreements into effect much more quickly. The indication is that these agreements will be put into effect this year.

This information should be given at once, so that we may have knowledge of what the effects and results of the agreements will be, so that parliament then, when the government's proposal is laid before it, will be informed and we will have an opportunity to discuss with those concerned the effects of the changes, and so that we may again, hold the government accountable and responsible. We want this information as quickly as possible. I see no reason on earth—and I see very grave dangers and disadvantages in Canada's actually implementng these changes in a hurry while the United States takes five years to implement theirs—why we should not be given this information now. Hon. members can be quite certain, can they not, that the last changes the United States will implement are those which give advantages to other countries? Yet Canada is going to implement the whole of the agreements straight off the bat, according to the best information we can get, making these concessions available to all other countries, including the United States; but that country will not make its concessions available to us except over a period of five years. I seriously urge upon the government that this is one case where Canada's actions need not be in advance of the actions of those with whom we have made these agreements.

I should like to express another hope, Mr. Speaker; that is, that the government has made sure that in the agreements and accords it has reached at Geneva adequate provision has been made for the inclusion of an enforceable and valid fair value for duty, an anti-dumping provision, in the interests of our fruit and vegetable industry. I know, as a result of my experience over the years, the difficulty of enforcing the present provisions because of the interpretation given to them and the position taken under the GATT agreements. I know also of the very real and continuing need of the fruit and vegetable industry in Canada, and particularly in British Columbia where it is so vulnerable to Californian imports. I know the need of that industry for continued concern on the part of the government that there should be available adequate and enforceable provisions to prevent dumping and to enable government officials to set fair values for duty.

These are just some of the matters that occurred to me as I was thinking about the ways in which this government is frozen into inaction and the rising concern on the part of the Canadian people. The people are demanding that we get on with these problems and take action to solve them. The people want action on the real problems which face us today. These are new problems. They are the problems of now and of the second century of confederation. The Canadian people want to see their government and parliament come to grips with these problems, instead of having dished up to them the issues of three or four years ago, because these issues could not matter less to the people today. They want us to concern ourselves with the problems of today and tomorrow.

As I said, they are new problems. They are the problems of an urban society. Seventy per cent of Canadians now live in the cities and it is estimated that within 10 years this figure will have risen to 80 per cent. This is a new development that is entirely different from the situation that existed even 25 years ago, let alone 100 years ago. We face the problems of urbanization and the age of automation, which bring with them a whole host of related problems. The problems of delinquency are greatly accented in an urban society. When I was minister of justice we had a clear, concise, succinct report from a committee which studied these problems. That committee made over 100 recommendations, but not one of its recommendations has yet been implemented. This report has been in the hands of the government since 1965. The problems of delinquency are of growing concern to the Canadian people.

Urbanization has brought with it new problems of housing and transportation. The problems of transportation today are entirely different from those of 100 or even 25 years ago. There is the problem of pollution, the conservation of an adequate supply of pure, clean water and air to meet the needs of the present and future generations. Our people have a right to these things. Who would have said 25 years ago, or 100 years ago when this country was established, that we would today have a real and urgent problem of conserving Canada's water and cleaning our air?

• (4:50 p.m.)

The problems of education are also entirely different, not only quantitatively but in kind, from the problems of education 100 years ago or even 25 years ago. These are the problems which concern the Canadian people. They are

concerned because they can see no effect in the action to deal with them, while the cost of the government supposed to deal with them continues to mount. This is of concern especially to the average Canadian wage and salary earner. These things give rise to feelings amounting to frustration.

The problems today are new. They are new and different from what they were even 25, let alone 100 years ago. The problems have changed. The trouble is that this government is not applying to those problems any new answers which will enable us to deal with them. Because things change; Canada has moved forward and will continue to move forward at an ever accelerating pace. New problems will continue to arise. Problems change. It is true that principles do not change, but let us apply the principles to the new problems because, after all, what is policy but the application of a principle to a problem. Let us apply the principles to the new problems and come up with new and realistic policies which will solve these problems.

I suggest to you, sir, that in the area about which I have been speaking and in the general area of the responsibility of the government to take action on problems, the principle to apply is the basic concept of confederation. Let us apply that principle to the new problems and come up with a real policy which will give the real answers. To do that, of course, it is necessary to have some understanding of the basic concept of confederation upon which this country was established, and an intention and a declaration that we will preserve that concept and build on it.

What is the concept? It is the concept of the two founding nations, now joined by many others which have come to help us from elsewhere, joining together on terms of partnership and equality. The four original provinces have become ten provinces and have come together on the same basis and in equality. The concept of confederation was that they would come together in one political union, one whole, making a nation with a strong central government having the power and ability to bring the strength and the resources of the whole to the aid and assistance of the parts. Thus the parts would be greater and better off than they could possibly be without being part of the whole, and the growing strength of the parts would add greater strength to the whole, making the confederation, Canada, much greater than the mere sum of its separate parts.

[Mr. Fulton.]

Let us build on that concept. There can be no doubt that this concept is still valid and viable today. That is what must be preserved and built upon, because it is a splendid and uniquely Canadian concept.

When I hear people say that Canada does not have a distinctive character, I sometimes wonder why these people cannot see what is right before their eyes, namely that we have and have had a distinctive national character for 100 years. The very fact which makes us distinctive and different is this concept of partnership and equality, the very concept of confederation. On the basis of this concept our peoples have done great things together in the past. We have laid the foundations for a great nation, and in the first 25 years after confederation, in spite of enormous problems as compared to today, and very little in the way of technical machinery and equipment, we established within 15 short years a foundation for a nation extending from the Atlantic to the Pacific. However, not only is it necessary to have the confidence that we have done great things together in the past, such as our participation in two world wars and all the other things which went into the building of a nation, but also to have the confidence that we will do greater things together in the future, because that is what brings people together—the consciousness of having done great things together in the past and the determination to do great things together in the future. It is the responsibility of the government to ensure that the machinery of the government is adequate to deal with the problems it is called upon to meet.

I go back to the fact that the problems have changed, and yet in so far as we attempt to deal with them we are attempting to deal with the detailed organization of a government of 100 years ago. Surely what is necessary is, first of all, a willingness to study and agree upon what are the problems requiring action and what is their order of priority. Should housing come first, or transportation or social welfare?

Let us get agreement upon what are the urgent problems for which people want answers, and then let us discuss the question of which level of government, the federal or the provincial, is responsible for action on these problems. Only then can we intelligently discuss the important question of dividing tax revenues to enable the government properly to fulfil the responsibilities which have been assigned or reassigned to them. This is the process which we are so anxious to see begun,

the process of discussion, of facing up to problems and bringing about an organization of government based on the concept of confederation which will enable the government to deal with the problems on behalf of the people.

I urge the government, in spite of the Prime Minister's reluctance to call such a conference, to bring the different levels of government together and work out the reorganization of the structure of the government so as to lay the foundation for the grand design for the second century of the confederation.

Mr. O'Keefe: Mr. Speaker, may I rise on a point of privilege? During the course of the hon. member's speech—and he is a member for whom I have a certain amount of respect —I believe he said, and I might have misunderstood him, that the hon. member for St. John's East was in some way not discharging his duties properly. I would appreciate hearing from the hon. member for Kamloops, whom we see here so seldom now, in what areas the member for St. John's East is not properly discharging his duties.

Mr. Fulton: Mr. Speaker, I will answer the hon. gentleman's question. I was dealing with the question of the ability of the parliament to hold the government responsible and accountable, and therefore the importance of preserving the doctrine of cabinet solidarity so we would know what the policy of the government was for which we are seeking to hold it responsible. I am glad to explain it to the hon. gentleman again.

I suggest to the hon. member that that is a right and a duty devolving as much on members on his side of the house as on members on our side of the house. I also suggest to him that the kind of interruption which he made three times during the course of my speech indicates perhaps that he does not have a proper appreciation of his rights and duties in that regard.

• (5:00 p.m.)

[*Translation*]

Mr. J.-P. Racine (Beauce): Mr. Speaker, as the previous speakers, I should like to duly congratulate the mover and the seconder of the address in reply to the speech from the throne (Messrs. Jamieson and Côté). Our two colleagues did a good job and the congratulations they got from all corners of the house were well deserved.

I do not intend to take all time of the house, this afternoon, but since agriculture is the current topic, you understand that, as the representative of the riding of Beauce, I want to say a word on this matter, especially in view of the new sub-amendment and even the previous one.

Naturally, farmers—and I refer not only to those in Quebec but to those of eastern Canada—have started asserting their rights as all unionized workers. I do not think we should blame them for it. And if they come to Ottawa on May 24, they will only be following the example of certain other organizations.

They will not come, at least from what I know after having met them, to blame the government, but rather to explain their position and make representations, just as labour movements such as the C.L.C., the C.N.T.U. and others do.

So I do not think we would blame them. However, I must say here—and farmers are aware of it—that in 1965, for instance, the price of manufacturing milk was $3.25, in May 1966, $4, and now, in May 1967, $4.75.

Our farmers' unions know that the government is getting to understand them better but the unions themselves realize that they must be better represented here. That is one of the reasons why they will come again on May 24.

Mr. Speaker, a great deal has been said about quotas here in this house. The farmers themselves have talked about them. Are quotas beneficial or prejudicial to farmers? I will certainly not settle the question myself.

We have created, as we had promised, the Canadian Dairy Commission which, I hope will settle the question to the satisfaction of farmers.

Incidentally—this is information I got not long ago and which proves that there must be quotas—quite recently, and this relates to the price of milk, three Montreal physicians purchased a 500-acre farm in St. Thomas d'Aquin, in the riding of St. Hyacinthe, to breed a herd of 48 cows which they wished to increase to 125.

Since the price of milk was raised to $4.75, we have seen the recurrence of a problem familiar in the past, that is, every time the government helps the farmers in one way or another, outsiders step in to get something out of the increase.

I feel, and I believe the C.F.U. agrees with me on this, that those quotas, which apply strictly to the farmer and not to the farm, will

certainly be able to protect agriculture in that regard.

I have every reason to believe that the C.F.U., through its representations, will not only criticize but also help the government maintain its quota policy in order to protect the farmers.

It is true that farmers have asked $5.10 per hundredweight of milk. I agree with them; I am for $5.10 per hundredweight. I am sure that the Minister of Agriculture (Mr. Greene) himself is for $5.10, as well as the Minister of Finance and Receiver General (Mr. Sharp). In fact, we all regret that we cannot grant that amount immediately, but nevertheless we have created, in recent months, a Canadian Dairy Commission and a Canadian Livestock Feed Board.

Now, what is important for farmers is not so much the price paid as the margin between what they get and their cost. It is the profit, that is the difference between the buying price and the selling price, or between the cost of producing and the selling price. It is the profit that counts.

I have the impression, Mr. Speaker, that thanks to the new Canadian Livestock Feed Board, the production cost will be lower and that the difference between the price of $5.10 and the cost of production will perhaps be spread out in such a way that a farmer will make a higher profit.

One often hears about the sale price, Mr. Speaker, but what matters to our farmers, ours at least, is what is left, and if the Canadian Livestock Feed Board can reduce the production cost, the farmers will certainly make a better profit.

Our farmers have often been blamed for asking. It is true that they have asked for things in the past, and at the present time, they are perhaps asking for several things because all together they have finally gathered a group of farmers and unionized them.

I do not think that the farmers should be blamed for getting unionized as the workers do. Our C.F.U. leaders, regardless of what may be said of them, are pursuing a very desirable objective. As in the other fields, they make requests. It is their right, and I think they are right to do so.

It has been said for instance in the past, that some members do not work extensively for the farmers and it is understandable. It is due to the fact that some members do not come from rural areas and they must defend either the workers or the consumers. But I think that we, from rural areas, must not only protect them but work towards the best possible standard of living for the people who live in our rural areas.

I think that the leaders of the farm unions do not make excessive demands at the present time with regard to agriculture, and the delegation which they will send to Ottawa on May 24 will not come here to blame the government but rather to uphold their rights. If they keep it up, I think they deserve our congratulations. Coming from an agricultural riding as I do, I commend them for their objective working methods.

Agriculture in our province, and probably in the other provinces, is facing certain problems, of course, and without the C.F.U., at least in our district, we, in Ottawa, would never have heard about those problems and probably never could have studied and solved them.

Referring once again to the speech from the throne, I hope that the officials of the Department of Labour will keep on making representations to the United States government with regard to our lumbermen who work in the United States.

Mr. Speaker, since you were here a few years ago, you remember no doubt that I have often raised that problem. However, I am glad that the Minister of Labour (Mr. Nicholson) continues to negotiate with the American government in order to obtain for Canadian lumbermen working in the United States the right to receive unemployment insurance benefits. The problem is important, for those who understand the lunber industry know that these people only work a few months of the year in the United States and that, since they normally work in another country, they have no right to unemployment insurance. Apparently, the American authorities are reconsidering the matter. I am glad to see that the minister and his officials continue to seek with them a solution to this most important problem, for it is a little difficult, in my opinion, to earn a salary during only four or five months of the year and, during the rest of the year, get an adequate revenue to meet the needs of one's family.

I shall say no more, Mr. Speaker. These were some comments I wished to make on this debate. Let me say, in concluding, that I just wanted to point out that the farmers belonging to the C.F.U. simply wish to discuss their problems with the government. In my opinion, that is very important. The farmers are not dissatisfied, but merely want to talk with the representatives of the Department of

Agriculture, the Canadian Dairy Commission and the Canadian Livestock Feed Board.

Mr. Speaker, I should like to say briefly, and I think hon. members will agree with me, that the march of the farmers on the 24th is like those organized by the other workers' movements and that we should welcome them, since they are coming to see us with good intentions and with very important problems to submit. We should give consideration to their claims, since they are part of the Canadian people whom we represent in this house.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, at the very beginning of my remarks, I should like to say that I have taken note of the statement made by the hon. member for Beauce (Mr. Racine) concerning the dairy policy of this government. I am happy to see that our friends in the Liberal party and, in particular, the hon. member for Beauce wholly support the claims made by our farmers in eastern Canada. I believe the hon. member understands the problem and I shall see later, when the vote is taken, if he will be consistent with himself and if he will vote for the amendment we are moving to improve the situation of the dairy industry among our farmers.

Mr. Speaker, I should like to congratulate the mover and seconder of the address in reply to the speech from the throne (Messrs. Jamieson and Côté).

• (5:10 p.m.)

In my opinion, they have made to parliament an excellent contribution which deserves to be pointed out.

Mr. Speaker, the session which began on May 8, 1967, has an historic character since it is called the centennial session. And when we refer to the centennial, we recall the work of the fathers of confederation who, in 1867, succeeded in concentrating in he British North America Act, the aspirations, rights and privileges of the various ethnic groups which then made up the population of the country.

But in 1967, we should ask ourselves, in my opinion, if that constitutional act meets the objectives of a modern and industrialized Canada. Naturally, lengthy dissertations are unnecessary to prove that Canadians are dissatisfied with that constitutional act, a situation which refutes the arguments of those who would maintain the status quo in the constitutional field.

In the past few years, all Canadians have become conscious of the need for their elected representatives to stop, ponder, and study the means to revise this constitutional act which has become old-fashioned, obsolete and no longer adequate to meet the requirements and objectives of a modern community.

For the past four years, Mr. Speaker, our party has been advocating that a federal-provincial conference, grouping all the political elements of all parties, be called, and that it start studying the changes which would make our constitution more flexible in the context of our confederation. It seems—and I stress those words—that people are too often inclined to let the French Canadians bear the task of changing the terms of our Canadian constitution, but this need is also felt by our English-Canadian friends who have come to share this idea in the past few years, and I believe that unity has been achieved in that respect. I could state that the great majority of all Canadians demand these amendments to our constitution.

Quebec has established a parliamentary committee to study future participation of French Canadians in our confederation system and the Ontario government has decided to hold a constitutional conference next September to deal with the same problem. In Quebec, the parliamentary committee on the constitution has invited all intermediate organizations to file working papers so as to ascertain the opinion of all classes of the Quebec community on such an important problem. Ontario will invite the provincial premiers to set up an agenda on the subject and to lay down the basic principles which will guide the labours of those who believe in the future of our country but who, meanwhile, would amend our constitutional set up of 1967. It seems to me there is no point in shedding tears and going over the inequities this or that ethnic group has suffered in the past hundred years, but we should rather make use of our past to analyse this hundred-year-old coexistence in order to redefine the powers of each government in the light of the changes in our modern society.

But what is the attitude of the present government towards this question? The Minister of Justice (Mr. Trudeau)—we heard him several times in the house—seems to favour the status quo. He says that, in the course of time, we shall find solutions as to the changes to bring to our constitution.

It is a fact, Mr. Speaker, that the government did not want to move for four years. It would rather let the technocrats establish a committee that was supposed to study our constitutional problems, and it denies the

members elected by the people the right to sit at a round table, to form a parliamentary committee so as to discuss our constitutional problems very objectively.

And yet, this very difficult task cannot be entrusted to technocrats only; it must be committed to the elected representatives of the people who, alone, have a mandate to assert the aspirations of their social group.

In view of the government inertness, no wonder that there is among the young generation, in Quebec a feeling of dissatisfaction which is often expressed by separatist demonstrations. They want the quiet revolution, which is taking place in our Quebec society, to go beyond the limits of our province and tackle also the constitutional problems of our nation. I am convinced that the majority of French Canadians reject separatism, but, at the same time, they refuse to be active in antiquated and obsolete confederative frameworks which no longer meet the objectives of young Canadians.

Mr. Speaker, I have often met young Quebeckers who do not accept separatist ideas, but who may do so some day if the federal government refuses to budge and continues to appear deaf to their claims. It is to this lack of leadership on the part of this government that is ascribed the present unrest, not only in Quebec, but also in English-speaking Canada.

According to the speech from the throne, in reply to Canadians who request an amendment of the constitution, the present government proposes to hold a conference of the premiers on July 1, 1967, at which time a statement of principle would be adopted and annexed to the existing constitution. That formula, Mr. Speaker, I say it again, is not bold enough, not imaginative enough, and cannot be accepted in the present circumstances. To paraphrase the now famous words of André Laurendeau, who wrote a few years ago when bilingual cheques were adopted that it was too little and too late I say that the formula suggested by the Prime Minister (Mr. Pearson) to have the provincial premiers meet in July simply to lay down a statement of principle to be annexed to our present constitution is coming too late. What we need at this time is to call our political leaders together, whatever their political allegiance for a discussion of the amendments to the constitution.

Mr. Speaker, now is the time to act, I think and to act quickly; this policy of nostrums must stop as far as our relations with the provinces are concerned. Up to now, we have succeeded in delaying the constitutional crisis by allowing the provinces to exert their exclusive jurisdiction in certain cases. As far as the various jurisdictions are concerned, we should have a planned and not an improvised policy. It is high time to amend the constitution in this area; it is high time that powers of taxation be defined. It is high time that each government be given freedom to exert its exclusive jurisdiction in its own fields; it is high time that the federal government stop intruding on provincial jurisdictions as it has been doing too often in the past four years in education, in public health and in civil rights.

All that to say, Mr. Speaker, that when we call for a constitutional conference to study all those problems, it is not a whim but a necessity.

In Canada, there are two major groups, the English and the French, and they must have an opportunity to coexist in a climate of mutual respect. This respect will be achieved, Mr. Speaker, when those two main groups are convinced that they can grow together, according to their respective ideals, with an equal status, as the hon. member for Kamloops (Mr. Fulton) said this afternoon. The coexistence of those two main groups in Canada will be perfect when they have the feeling and conviction that they are equal partners enjoying equal rights within confederation.

It seems to me that when we speak, in this house, of a special status for Quebec, many hon. members are scandalized. Quebec is not a province like the others, as it has too often been pointed out perhaps. It has a different culture and it must have the opportunity of demanding from the majority of Canadians the rights and privileges required for the development of the Quebec nation.

Section 133 of the constitution which guarantees the use of both official languages must be extended. In my opinion, that section no longer meets the urgent needs of the Quebec society. That authority must be extended to give French Canadians the opportunity to make an adequate cultural contribution to Canada.

It is that stubborn determination not to look squarely at all the problems related to the revision of our constitution which will increase in Quebec the number of separatist and independence movements. And that must be avoided at all costs. The greatness and prestige of Canada are great because our country is made up of two majority groups, the French and the English, and of various ethnic groups which live within it. Refusing

to recognize that fact, Mr. Speaker, would be to deny Canada's destiny in America.

I therefore ask the government to show itself worthy of the task and to start studying right away that delicate and difficult matter: the revision of our constitution.

Mr. Speaker, I think it is five thirty. May I call it five thirty?

[*English*]

Some hon. Members: Agreed.

Mr. Deputy Speaker: Order, please. It being five thirty o'clock it is my duty pursuant to section 4 of standing order 38 to interrupt these proceedings and forthwith put the question on any amendment now before the house.

The house divided on the amendment (Mr. Brand) which was negatived on the following division:

Division

YEAS

Messrs:

Aiken
Alkenbrack
Allard
Asselin (Charlevoix)
Ballard
Barnett
Beaulieu
Bell (Carleton)
Bell (Saint John-Albert)
Bigg
Bower
Brand
Brewin
Cadieu (Meadow Lake)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Chatterton
Churchill
Clancy
Crouse
Diefenbaker
Dinsdale
Dionne
Enns
Fairweather
Fane
Flemming
Forbes
Forrestall
Gauthier
Godin
Hales
Herridge
Horner (Acadia)
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Keays
Kennedy
Knowles
Korchinski
Lambert
Laprise
Lewis
Loney
MacDonald (Prince)
MacInnis (Cape Breton South)
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean (Queens)
Macquarrie
MacRae
McCleave
McIntosh
McKinley
McQuaid
Madill
Mandziuk
Mather
Monteith
Moore
Muir (Lisgar)
Nasserden
Nesbitt
Noble
Nugent
Orlikow
Pascoe
Peters
Prittie
Pugh
Rapp
Ricard
Rynard
Saltsman
Schreyer
Scott (Danforth)
Scott (Victoria (Ont.))
Sherman
Simard
Simpson
Skoreyko
Southam
Stefanson
Thomas (Middlesex West)
Valade
Webb
Winch
Winkler
Woolliams—90.

NAYS

Messrs:

Andras
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Béchard
Beer
Benson
Berger
Blouin
Boulanger
Brown
Byrne
Cadieux (Terrebonne)
Cantin
Chatwood
Choquette
Chrétien
Clermont
Comtois
Côté (Dorchester)
Côté (Longueuil)
Côté (Nicolet-Yamaska)
Crossman
Davis
Deachman
Drury
Dubé
Duquet
Émard
Ethier
Faulkner
Forest
Gendron
Goyer
Gray
Greene
Groos
Guay
Habel
Haidasz
Harley
Hellyer
Honey
Hopkins
Hymmen
Isabelle
Klein
Lachance
Laflamme
Laing
Langlois (Chicoutimi)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard
Lind
Loiselle
Macaluso
Macdonald (Rosedale)
MacEachen
Mackasey
McLean (Charlotte)
McNulty
McWilliam
Marchand
Martin (Essex East)
Matheson
Matte
Mongrain
Morison
Neveu
Nixon
O'Keefe
Olson
Orange
Otto
Pearson
Pennell
Pépin
Pickersgill
Pilon
Prud'homme
Racine
Reid
Richard
Robichaud
Rochon
Rock
Roxburgh
Ryan
Sharp
Stafford
Stanbury
Tardif
Teillet
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Tucker
Turner
Walker
Watson (Châteauguay-Huntingdon-Laprairie)
Whelan
Yanakis—107.

• (5:50 p.m.)

Mr. Speaker: I declare the amendment lost.

Mr. Fulton: Mr. Speaker, I was paired. Had I voted, I would have voted for the amendment.

Mr. McCutcheon: Mr. Speaker, I was paired. Had I voted, I would have voted for the amendment.

Division

Mr. Cameron (High Park): Mr. Speaker, I was paired with the hon. member for Melville (Mr. Ormiston). Had I voted, I would have voted against the amendment.

Mr. Speaker: Is it the wish of the house that I call it six o'clock?

Some hon. Members: Agreed.

Mr. Pickersgill: Mr. Speaker, I wonder whether I might have the indulgence of the house to rise for a moment on what I suppose I can describe only as a question of personal privilege. I made two terrible errors on the orders of the day this afternoon. I attempted to be funny and spoke in a language which is not my native tongue. I used the word "promenade" when I should have used the word "marche". I did not intend to suggest that the farmers were going on a hike; I intended to say I understood they were going to walk.

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

HOUSE OF COMMONS

Thursday, May 18, 1967

The house met at 11 a.m.

CANADIAN CENTENNIAL

CONGRATULATIONS AND BEST WISHES FROM IDAHO STATE LEGISLATURE

Mr. Speaker: I have the honour to inform hon. members that I have received a joint memorial from the Senate and House of Representatives of the legislature of the state of Idaho conveying the best wishes of that legislature on the occasion of our centennial. I am sure hon. members will want me to reply on their behalf.

Some hon. Members: Hear, hear.

PRIVILEGE

MR. RAPP—NEWSPAPER ARTICLE RESPECTING APPOINTMENT AS CONSERVATIVE WHIP

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I am rising on a question of personal privilege having to do with a newspaper article written by Peter Newman which attacks me as the Tory whip supposedly appointed by my leader to the dismay of the caucus at large. The article also refers to my having ordered buses to take Conservative M.P.'s to Expo and reserving most of the seats for Diefenbaker loyalists.

This article is a fabricated lie. It attacks my leader and myself, and every Conservative knows it is a lie and would back up my statement. Peter Newman and I both came from Europe, his name originally being Peter Neuman. We know there was in Europe another who always fabricated lies. His name was Dr. Goebbels. Peter Newman has now taken on the role of Goebbels here in Canada.

• (11:10 a.m.)

Mr. Robert Simpson (Churchill): Mr. Speaker, also on a point of personal privilege in view of the fact that my name was mentioned in that article, I feel I should like to put on the record the fact that to the best of my knowledge there is no foundation whatever for certain inferences which have been drawn in regard to myself. It would appear to me from the wording of the article that there is an implication that I may not have been a supporter of the leader of our party. I should like to go on record at this time as saying that I doubt very much whether there is anyone in Canada who is a greater supporter of our leader. I feel this way, Mr. Speaker, because I believe he is one of the greatest Canadians of our first century.

I also do not agree with the inferences which have been drawn about the whip of our party. I for one am heartily in agreement with the choice of the hon. member for Humboldt-Melfort-Tisdale as whip of the Conservative party.

CRIMINAL CODE

AMENDMENT TO PROVIDE FOR DESTRUCTION OF CRIMINAL RECORDS

Mr. D. R. Tolmie (Welland) moved for leave to introduce Bill No. C-115, to amend the Criminal Code (destruction of criminal records).

Some hon. Members: Explain.

Mr. Tolmie: Mr. Speaker, I introduced this bill in June of 1966, incorporating the principle of erasing criminal records. The purpose of this bill is to relieve many Canadians who have paid their debt to society and are now law abiding, but are still suffering from the continuing stigma and disadvantage of a criminal record.

Motion agreed to and bill read the first time.

VISITING FORCES ACT

REPLACEMENT OF EXISTING LEGISLATION RESPECTING VISITING FORCES

Hon. Paul Hellyer (Minister of National Defence) moved the first reading of Bill No. S-3 (from the Senate), respecting the armed forces of countries visiting Canada.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

VIET NAM—OPPORTUNITY FOR EXPRESSION OF CANADIAN VIEWPOINT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Prime Minister whether his attention has

been directed to the views expressed in the United States Senate by a number of senators, including Senator Mansfield, a Democrat, and Senator Aiken, a Republican, both of whom visited Ottawa last week in connection with the meeting of the Canada-United States parliamentary group.

In view of the danger pointed out by them that further increases in military activity against North Viet Nam might foreclose the last possibility for a peaceful settlement and bring red China and the Soviet union into the war—warnings that are serious to Canadians and people all over the world—would the Prime Minister now agree that a resolution should be introduced in this house so the United States may understand the attitude of Canada, in view of the divisions which have been apparent in the cabinet until yesterday, which resolution would call upon the United States to discontinue bombing or, if not, to restrict it to those areas of ingress and egress, in other words to communication roads, so it never could be said that in this parliament we failed to act at a time of grave and international peril.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have seen press reports of the statement to which my right hon. friend refers. I should like to have the text of that statement before making any comment whatsoever on it. I am not at all sure that the procedure suggested by my right hon. friend would be the best way to accomplish the purpose which all of us have in mind. However, I will be glad to consider it.

MIDDLE EAST—REQUEST FOR STATEMENT ON SITUATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Prime Minister or to the Secretary of State for External Affairs. Can a statement be made to the house concerning the information the government has regarding the situation in the Middle East? In particular can we be told in what way Canada is using her good offices to help resolve this serious situation?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, yesterday the Secretary General met with the countries which are contributing to the United Nations emergency force in the Gaza strip. The government of the U.A.R. has served notice on the commander of that force that in the interests of its security the United Nations patrols should be withdrawn from the armistice line dividing the U.A.R. and Israel. The commander has taken the position that this course could not be followed unless he received instructions from the Secretary General.

The Secretary General now has asked for clarification as to whether the U.A.R. merely wants a withdrawal from the armistice line or the withdrawal of the force from the U.A.R. He has stated that if one of the host countries, in this case the U.A.R., should ask for withdrawal of the force from the U.A.R. itself he would have no alternative but to accede to that request. I must say that is not the position which was taken by Dag Hammarskjold, nor was it the position taken at that time by the present Prime Minister, who in his capacity as Secretary of State for External Affairs expressed the view that in giving its consent to the establishment of the force the Egyptian government accepted a limitation of its sovereignty, and that it is now the prerogative of the United Nations rather than of the U.A.R. government to determine when the United Nations force has completed its task of restoring peace and when it should be withdrawn.

Mr. Diefenbaker: What was the date of that statement?

Mr. Martin (Essex East): March, 1957.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question. I am wondering whether the Secretary of State for External Affairs or perhaps his colleague the Minister of National Defence could tell us whether arrangements are being made to remove Canadian forces should hostilities break out and, if so, what is the nature of the arrangements.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, because the forces are under the command of the Secretary General of the United Nations no steps have been taken in this direction. There does exist, however, a contingency plan which is available in the event a decision should be taken to withdraw the force.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question arising out of the answer given by the Minister of National Defence. In the latter portion of his answer he said a contingency plan had been determined upon for use in the event of

the Canadian contingent in the United Nations force being withdrawn. Does this mean a decision will be made by the Canadian government as to whether the Canadian force should be withdrawn regardless of what the Secretary General of the United Nations might have to say in that regard? Second, are there any Canadians at all in the area in respect of which the present difficulties have arisen?

Mr. Hellyer: I would not want to give the impression that we would take unilateral action in this case. We would not. It would be in concert with a decision taken by the Secretary General of the United Nations. As to the second question, we have no troops patrolling the armistice line. Our troops are all in support of the forces committed to the United Nations.

Mr. Diefenbaker: But are there any Canadian troops in the particular area between the U.A.R. and Israel? I thought there were none there. Am I wrong in this regard?

Mr. Hellyer: Not on the armistice line, if that was the question. They are in the Gaza strip and at El Arish, but they are not on the armistice line.

TRADE

REQUEST FOR DETAILED STATEMENT ON NEW GATT AGREEMENT

On the orders of the day:

Hon. George Hees (Northumberland): I should like to address a question to the Minister of Finance. Can the minister advise the house when the government expects to make public the specific reductions in tariffs on foreign manufactured goods entering Canada which will result from the recent Geneva agreement?

Mr. Speaker: Order. I am wondering whether this is not the same question that was asked yesterday.

Mr. Hees: May I ask a supplementary question?

Mr. Speaker: If I am correct in thinking the hon. member is repeating a question which has already been asked, he may not ask a supplementary.

Mr. Hees: Then may I ask another question in a different form, Mr. Speaker. Can the minister advise the house whether the government has any plans for modifying the impact which these reductions in tariffs on goods entering Canada will have on sales of Canadian manufactured products in this country?

Hon. Mitchell Sharp (Minister of Finance): This seems to be a question of a very general kind. It is my belief that the over-all effect of the Kennedy round upon sales of Canadian manufactured products will be very good.

SHIPPING

CHURCHILL—INQUIRY AS TO EXTENSION OF SEASON

On the orders of the day:

Mr. Robert Simpson (Churchill): My question is directed to the Minister of Transport. Can the minister advise the house whether his department is currently working upon, or intends in the near future to work upon, the development of means to extend the shipping season at Churchill?

Hon. J. W. Pickersgill (Minister of Transport): This is a matter to which regular —"continuous" is perhaps too strong a word —attention is given and every possible avenue which might enable us to extend that shipping season is explored whenever any suggestions are made in that connection, because we regard this port as being very important and one which should be developed.

POWER

COLUMBIA RIVER—STATEMENT BY B.C. PREMIER RESPECTING SIGNING OF TREATY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address to the Secretary of State for External Affairs a question of which I have given him brief verbal notice. Has the minister's attention been drawn to a statement by Premier Bennett that the federal government signed the Columbia river treaty too hurriedly, as a result of which costs on the Canadian side have increased and benefits which should have been received from the United States have not been forthcoming? Has the minister any comment to make on this unusual statement?

Mr. Speaker: Order. I do not think this is an acceptable question. The comments the minister might make at the suggestion of the hon. member could not be considered as of sufficient urgency to allow them to be made at this time.

Inquiries of the Ministry

[*Translation*]

AGRICULTURE

QUEBEC—CONSTRUCTION OF ACCESS ROAD UNDER ARDA

On the orders of the day:

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

Could he tell the house whether discussions have been held with representatives of the Quebec government with regard to the construction of an access road from the Abitibi area up to James Bay, under ARDA?

Mr. Speaker: Order. This question should be put on the order paper.

[*English*]

HIGHWAY SAFETY

CONSTRUCTION OF CANADIAN PROTOTYPE SAFETY AUTOMOBILE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question, directed to the Minister of Industry, is based on the proposals and allegations made here in Ottawa yesterday by Ralph Nader. So we may have public performance and safety standards financed by public dollars, will the government now seriously consider the building of a Canadian prototype safety car?

Mr. Speaker: I wonder again if this question is not so general in nature that it cannot be asked at this time. The answer to the question would not seem to be extremely urgent.

Mr. Grafftey: I would reword my question. In view of the great urgency, Mr. Speaker—and it is urgent because Mr. Nader yesterday told us—

Some hon. Members: Oh, oh.

Mr. Grafftey: —that the automobile lobby had killed this proposal in the United States. In view of the urgency in proceeding, and in view of the fact that the automobile lobby has killed this proposal in the United States, will the government immediately get on with the consideration of this matter in order to get progress?

Mr. Speaker: Order.

Mr. Grafftey: I have been fighting for two or three years—

[Mr. Speaker.]

Mr. Speaker: Order. I appreciate the interest of the hon. member and of all hon. members in this matter, but perhaps the question could be put on the order paper.

Mr. Grafftey: Mr. Speaker, I have been fighting for this for three years and we have had no action.

Mr. Speaker: Order.

Mr. Grafftey: Mr. Speaker, for three long years I have pleaded.

Mr. Speaker: Order. The hon. member knows this is not in order. If he believes the question is one of urgency—I am not referring to the subject matter, I am referring to the question he wants to ask—he can give notice to the Chair that he wants to debate it at the time of adjournment tonight, which is a few hours from now.

Mr. Grafftey: I believe the minister was going to answer the question.

Mr. Speaker: Order. That is not relevant at all. Even if the minister was going to answer, the question is still not acceptable at this time.

Mr. Grafftey: After three years I think it is urgent—

Mr. Speaker: Order.

[*Later:*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I hope that the way I word this question will be satisfactory to you, and that it will come within the rules. Would the Prime Minister say whether the government has given or is now giving consideration to providing funds to construct a safety model automobile, so the number of deaths on the highways may be reduced in consequence of such action?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, no decision has been taken in this matter, and indeed as far as I know no consideration has been given by the federal government to the construction of a particular automobile for this purpose.

CONSIDERATION OF COMMITTEE RECOMMENDATION RESPECTING ESTABLISHMENT OF BOARD

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I would like to ask the Minister of Industry. Could the minister

indicate whether a decision has been reached on the recommendation of the justice and legal affairs committee calling for the establishment of a federal board to concern itself with all matters of motor vehicle safety?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the recommendation of the committee has been studied. It is quite clear that the Canadian government specification board, which up to the present has taken the initiative in discharging federal government responsibility in the matter of motor vehicle safety, is not the appropriate body, and consideration is being given as to what would be the most appropriate body and how it should best be done.

[*Translation*]

FISHERIES

ST. LAWRENCE RIVER DESTRUCTION CAUSED BY WATER POLLUTION

On the orders of the day:

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I wish to put a question to the Minister of Fisheries.

Has the minister recently received reports advising him that along lake St. Peter and down the shores of the St. Lawrence, vast quantities of dead fish are found allegedly due to excessive pollution of the water?

Mr. Speaker: Order, please. If the hon. member believes that his question is urgent, he might want to give notice to the Chair, but I hardly believe that this is the type of question that may be put immediately.

Mr. Mongrain: Mr. Speaker, I should like to emphasize that the urgency of the question arises from the fact that, in that area, a large number of people draw their livelihood from commercial fisheries; the season is approaching and their livelihood is destroyed.

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, if I may reply to this question, I wish to advise the hon. member that the situation has not yet been brought to my attention. I shall take this question as notice and ask the officials of my department to make immediate inquiries.

[*English*]

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—INQUIRY AS TO CONTRACT

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, I wish to direct a question to the Minister of Public Works. In view of the fact that we are already somewhat behind schedule on the next portion of the Northumberland strait crossing, can the minister tell the house when we might expect the awarding of this major contract so the next section can get under way as quickly as possible?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I have nothing to add at the present time to my earlier statement on this question.

Mr. MacDonald (Prince): As a supplementary question, in view of the fact that each passing day reduces the amount of time available, will the minister assure the house that within the next two weeks he will have an announcement on this matter?

Mr. McIlraith: I expect we will have it within the next two weeks, Mr. Speaker.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I address a most important question to the Minister of Finance. I should like to ask the minister whether he has been or contemplates being in communication with Premier Bennett of British Columbia, in view of the premier's recent statement that he could reduce federal expenditures by $300 million without affecting efficiency or the administration of the minister's department.

Mr. Speaker: Order, please. I do not think the question is acceptable.

CANADIAN NATIONAL RAILWAYS

QUEBEC—COMPLAINTS RESPECTING NEW SERVICE BEING PROVIDED

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I have a question for the Minister of Transport. I wonder whether the minister has received a wire from the mayors of various municipalities complaining about the timing and stopping schedule of the train "Chaleur" which is going into service at the end of this month. Therein lies the urgency of this question. I should also like to know whether the minister would look into the complaints about that service that have been heard in this house and in the many letters he has received.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, perhaps my memory is failing but I thought I had written a long

explanatory letter to the hon. member about this matter. It may be that I am confusing him with someone else. It is quite a lengthy explanation, and I would be very glad to send the hon. member a letter.

Mr. Keays: A supplementary question, Mr. Speaker. I should like to ask the minister whether he would advise certain employees of Canadian National Railways that we expect the same service that is given to all other Canadians.

Mr. Speaker: Order, please. The hon. member is making a representation and not asking a question.

[*Translation*]

QUEBEC—REFUSAL TO PROVIDE TRANSPORTATION TO OTTAWA FOR FARMERS

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, my question is directed to the Minister of Transport and follows that put yesterday by the hon. member for Roberval (Mr. Gauthier) concerning the request of the Catholic Farmers Union of the Saguenay-Lake St. John region to put at their disposal additional coaches for May 24.

Could the minister tell us whether he has contacted the C.N.R. in connection with that matter and whether the farmers of the Saguenay-Lake St. John area can count on special coaches for May 24?

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Yes, Mr. Speaker. Even before I was asked any questions about this matter I had received the same telegram and, as is usual in these cases, I got in touch with the Canadian National at once. Hon. members will of course realize how difficult it is to meet the ordinary demands for space this year, but I am sure the railways will do their very best.

REPORTED COMPLAINTS RESPECTING FERRY SERVICE

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is for the Minister of Transport. In view of complaints in recent days that Canadian National ferries are apparently carrying cattle and empty trucks in preference to carrying passengers, thereby sometimes leaving people stranded overnight at certain Northumberland pier points, would the minister investigate these complaints with Canadian National Railways?

[Mr. Pickersgill.]

Mr. Speaker: Order, please. The hon. member is making a representation.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Transport. In view of the unanswered questions about the C.N.R. service, can the minister say whether he has information that the C.N.R. officials would be ready to appear before the committee at the earliest possible time, which I understand would be next week?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I feel quite sure that the management of Canadian National Railways would come before the committee at any time the committee wished to receive them, allowing of course for the conveniences as between one day and another.

DOMINION DAY

INQUIRY AS TO OBSERVANCE OF JULY 1 HOLIDAY

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 uncertainty and confusion that seems to be developing regarding the celebration of July 1 as a legal holiday this year, since July 1 comes on a Saturday, would the government see whether something can be done so we may have a uniform recognition of the following Monday as a legal holiday?

Right Hon. L. B. Pearson (Prime Minister): I will be glad to look into that matter, Mr. Speaker, but I am sure my hon. friend would not want us to make any arrangements this year by which we would lose a sitting of the House of Commons for one day.

Some hon. Members: Hear, hear.

Mr. Knowles: Mr. Speaker, may I ask the Prime Minister a supplementary question. In view of the answer he has given me, may I ask the Prime Minister whether he understands that I was asking my question not with regard to the House of Commons but with regard to a general recognition of the day throughout Canada, since July 1 this year comes on Saturday. The Prime Minister realizes that if it came on Sunday, the holiday would be on Monday. Why not do the same thing in this instance?

Mr. Pearson: Mr. Speaker, I am sorry if I misunderstood my hon. friend. We will certainly look into this matter. I think there is some reference to this possibility in the Canada Labour (Standards) Code, but we will look into it.

[*Translation*]

BILINGUALISM AND BICULTURALISM

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a question to the Prime Minister.

For the past several months hon. members have been asking the Prime Minister when they might expect the Laurendeau-Dunton report on bilingualism, and the Prime Minister has been putting off the tabling of this report from month to month.

Could he now tell the house whether we may expect the report before July 1?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I discussed this matter as recently as last evening with one of the co-chairmen of the commission. They are hard at work preparing the report. I certainly share their hope that it will be finished before the end of this year.

FISHERIES

INQUIRY AS TO ESTABLISHMENT OF GEOGRAPHICAL CO-ORDINATES

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Secretary of State for External Affairs. My optimistic mood today leads me to ask the minister whether he can tell us about the establishment of the base line co-ordinates for our fishing zones.

Hon. Paul Martin (Secretary of State for External Affairs): It is coming along, Mr. Speaker.

Mr. Barnett: A supplementary question, Mr. Speaker. I should like to ask the minister whether he is not a bit worried that if he does not make this announcement very soon—

Mr. Speaker: Order, please.

Inquiries of the Ministry

EXTERNAL AFFAIRS

VIET NAM—PROPOSED CHILDREN'S REHABILITATION CENTRE

On the orders of the day:

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, I have a question for the Secretary of State for External Affairs. When the minister testified before the external affairs committee he said, in response to a question of mine, that a Canadian representative was then en route to Viet Nam to pursue our proposal to establish a children's rehabilitation centre there, and he expected to be able to report on that matter very shortly. Is the minister now able to tell the house the outcome of those discussions in Saigon?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, Mr. McLaren of the external aid office was sent to Saigon to investigate the situation and we also called in Dr. Vennema, who has been in charge of our anti-tuberculosis centre. We are now discussing this matter in the light of reports which both these officials have made to us.

Mr. David MacDonald (Prince): A supplementary question, Mr. Speaker. Will the same treatment be given these reports as was given earlier to the Gingras report, and the earlier expectation that under external aid certain people might be brought to Canada for rehabilitation?

Mr. Martin (Essex East): I might say, Mr. Speaker, that yesterday Dr. Gingras and Mr. Strong of the external aid office discussed this matter with me.

Mr. MacDonald (Prince): A further supplementary question, Mr. Speaker. We are all impressed with these discussions, but when may we expect some answers?

Mr. Speaker: Order.

• (11:40 a.m.)

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, May 17, consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. J. E. Brown (Brantford): Mr. Speaker, if I may be permitted I should like to make a

brief intervention in this debate, and my remarks will be very short. There are only four subjects I want to speak on, and I hope I will not be longer than an average of two minutes on each. The first subject is one of local concern and affects my constituency and neighbouring constituencies. The second refers to the province of Ontario, and the other subjects affect people living in all parts of Canada.

The first subject relates to the reception of C.B.C. television programs in Brantford and the surrounding area. There is a great need in my community for a relay station to be located between London and Toronto to facilitate the reception of these programs by the great number of people who live in my area.

The amount of money spent by the C.B.C. last year in respect of television was colossal, in fact something over $88 million. The people of Brantford pay plenty as their share of the cost of this venture, yet really cannot see the programs. If they can see them at all the reception is very poor. I live in the centre of Brantford, and I cannot see them at all. Some people may suggest that I move out, but that is something I will never do, particularly at this time of the year when the show of daffodils and tulips right in the centre of Brantford is such that I would not want to miss it.

Let me now refer for a minute or two to the operation of the general social welfare program adopted by this house and the Senate last year and made retroactive to April 1, 1966. I refer, of course, to the Canada Assistance Plan. More than a year later the Ontario legislature passed the family benefits act to make the Canada Assistance Plan operative in Ontario. What do we find in the province of Ontario more than a year after the Canada Assistance Plan came into effect? Nothing but chaos exists at local public welfare offices in this province since this legislation came into force. I do not wish to play politics in respect of the operation by the Ontario government of the family benefits act, but the people of this province will have something to say about this when the next provincial election is held.

This House of Commons did its best to make adequate provision for the blind, the disabled and the otherwise unemployed when this legislation was passed, and it was the wish of every member of this house that the people of Canada should benefit greatly from this legislation. These people are not receiving the results which each and every member who voted for the Canada Assistance Plan last year expected, at least not the people in the province of Ontario.

This week I inquired about a disabled citizen whom I reported to the officials at Brantford nearly a year ago as one who required assistance. The officials replied just the other day that they were still waiting for word from Toronto as to whether this gentleman could qualify for assistance under the Ontario act, and no reference at all was made by those officials to the Canada Assistance Plan which was passed in good faith by this house. As a matter of fact I do not think they have ever heard about it. It was my feeling that I should advise this house how this legislation is being operated in Ontario. I believe at most two or three extra individuals would be required in my own city for the proper operation of this legislation. In other words I believe the Canada Assistance Plan is not being operated properly in Ontario.

Mr. Dinsdale: Would the hon. member permit a question, Mr. Speaker. Is he aware that there has been a delay in the implementation of the Canada Assistance Plan, and that provinces such as Manitoba have not yet received the necessary information from Ottawa?

Mr. Brown: Mr. Speaker, I cannot understand why provinces cannot obtain this information from Ottawa, and this is a most interesting observation. However, this bill was passed by this house last June, and it was made retroactive to April, 1966.

Mr. Dinsdale: It was not implemented.

Mr. Knowles: When was it proclaimed?

Mr. Lambert: When was the plan proclaimed?

Mr. Speaker: Order, please.

Mr. Brown: Mr. Speaker, I now come to my third subject, which relates to the pensions of veterans. These pensions were increased last year so far as the veterans were concerned but were not extended to veterans' dependants. I know the minister and his department are considering a change in this regard, as the minister has advised the house, but there is a great need for consideration at the ministerial level so far as an extension to these dependants is concerned. I am sure the minister will do something in this regard after the committee which is studying the matter brings down its report.

There is another matter in respect of veterans which puzzles me, and that is the fact

that veterans files are secret so far as the veterans are concerned. I think I know what I am talking about in this connection. When a veteran is admitted to a hospital everyone from the orderly to the physiotherapist can read the file, except the veteran himself. A file may contain secret information such as a report that the veteran has a personality problem, and everybody knows about this except the individual concerned. Surely these files should be made available to the veterans so they can read what the officials have said about them. I am sorry the Minister of Veterans Affairs is not in his seat at the moment, but I know he understands the problems of veterans and I urge him to act upon these matters to which I have referred in a way more favourable to the veterans, keeping in mind their personal rights as individuals.

I now come to my fourth subject. As a member of this house I wish to stress the seriousness of the housing situation. There is such a widespread need for housing that I think for at least the next two or three years we should have a special department to deal exclusively with this matter. I know the Minister of Labour who is vitally interested in the nation's business, himself feels there should be a minister dealing exclusively with the matter I have spoken about. As a matter of fact he said just the other day that a cabinet minister should be appointed who would devote his full time to Canada's housing problem, at least for the present.

• (11:50 a.m.)

In Brantford recently I attended a meeting of tenants of housing projects financed by the federal, provincial and municipal governments. I was very much impressed with the testimony of those tenants. They were all fine young men, some of them with many children to support. They stated that the monthly rentals they had to pay were too high, and I agreed with them. The rentals were fixed in accordance with the wages earned by the tenants and they went up sharply every time the tenants received a raise in wages, to such an extent that they were prevented from even attempting to purchase homes. In this way they were really discouraged from ever owning homes.

I believe this matter should be reviewed by the authorities. I attended this meeting as Brantford's member of parliament, and I am very glad I was present to meet and hear these tenants. Again I say housing should be the exclusive responsibility of one minister, and I intend to press for this from now on.

These are my points, Mr. Speaker. They may seem small and insignificant but they are all vital, and I intend to use what influence I have as a member of parliament to pursue them on behalf of my constituents.

In conclusion I should like to speak of the war in Viet Nam. I have little doubt that there is a strong feeling across Canada against the escalation of this war. I could become very much exercised over the prosecution and operation of this war by our good friend and neighbour the United States. There is only one thing which holds me back in this regard, and that is that in my opinion we can be thankful we happen to have as leader of the government a gentleman extremely skilful in the field of external affairs, a man of the highest moral calibre in whom the Canadian people can have the utmost confidence. I refer of course to the present Prime Minister of Canada, Right Hon. Lester B. Pearson.

These are not idle remarks nor wishful thinking on my part. I say we can be thankful here in Canada that we have Mr. Pearson. He will never lead our nation astray among the nations of the world. We can have faith in him and in our Secretary of State for External Affairs (Mr. Martin). I know we will continue to have faith in them both until these disturbing times are over and peace becomes firm and real.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, last night, before the house adjourned, I sought to explain to hon. members that it was urgent, in this centennial year, to revise our Canadian constitution.

This morning, I would like to conclude my contribution to this debate by saying a few words about this country's policy on Viet Nam.

Recently, Mr. Speaker, the secretary general of the United Nations dismayed the whole world when he predicted that the Viet Nam war was putting us on the brink of a third world war. Such an important statement by the chief of international diplomacy cannot be taken lightly.

When the secretary general of the United Nations accepted the renewal of his mandate, members of the general assembly of the United Nations promised him that he could count on their co-operation to bring an end to the war in Viet Nam and to restore peace in south-east Asia.

It seems to me that up to now, the secretary general has not received from the members of the United Nations all the co-operation he was promised. For some months, the United States have been escalating the war in Viet Nam with such atrocities that world opinion is now disturbed. True, measures must be taken to stop communist expansion in south-east Asia, but, I have never heard that force of arms could check ideas or a philosophy.

We are faced, Mr. Speaker, with an undeniable fact: the United States have gone into South Viet Nam and Washington is quite determined to pursue this war to final victory.

It seems that any political solution to the Vietnamese conflict has been set aside and a military settlement is being sought instead.

Bombings have caused heavy casualties among civilians and I shall refrain from describing all the atrocities committed on both sides since the beginning of that conflict. I think that the literature received by my colleagues in this connection speaks by itself.

It is not for me to pass judgment on the presence of the United States in South Viet Nam, but the United Nations charter provides specifically that every country has a right to self-determination and also has the right to have the government of its own choice.

Some will claim that the United States are there under international agreements whereby a country may ask another for assistance in case of aggression. However, without probing too deeply into all those reasons, I think we should look for the most useful means to put an end to that war which could have very harmful repercussions on a third world war.

Mr. Speaker, Canada has no definite policy about Viet Nam. The Prime Minister (Mr. Pearson) and the Secretary of State for External Affairs (Mr. Martin) have already said that they endorse the American policy about the Vietnamese conflict.

The government has also stated on many occasions that it was against the escalation and extension of the Viet Nam war. Canada hs also tried to apply with regard to that conflict a certain policy of neutrality; it has tried to act as an intermediary between the belligerents; it has even proposed compromise solutions to put an end to that war.

But, Mr. Speaker, we must now ask ourselves the following question: Could Canadian foreign policy concerning Viet Nam help end hostilities today? As we know, under military agreements, Canada is providing the United States with armaments which apparently are used in the Viet Nam conflict.

[Mr. Asselin (Charlevoix).]

Recently, the Canadian members of the International Control Commission were publicly accused of supplying information concerning their mission to the American authorities. In this context, how can Canada be taken seriously by the government of North Viet Nam, when it proposes a political solution to end the conflict? How can North Viet Nam determine whether Canada makes its peace proposals in good faith when it knows that our country supplies arms to the United States which will be used in the fight against North Viet Nam?

It is obvious that our foreign policy is timid and uncertain, and Canadians certainly have the right to ask themselves questions, especially these last few days, knowing that the cabinet is divided on Canadian policy concerning Viet Nam.

• (12 noon)

I think all Canadians are interested in this Viet Nam question, Mr. Speaker. Last night a C.B.C. program called "Tirer au Clair" presented ten newspapermen who discussed Canada's position with respect to the conflict in Viet Nam. And, strange to say, these journalists who, in my opinion, were representing several thousands of Canadians, were almost unanimous to say that Canada should reconsider its policy concerning the Viet Nam war.

I think that the very fact that we witnessed recently, within the cabinet, divergence of opinions concerning our foreign policy should give the Prime Minister as well as the Secretary of State for External Affairs, cause for reflection and that both should consider revising their policy.

As I said earlier, regardless of cabinet solidarity, the President of the Privy Council (Mr. Gordon) claims that Canada should dissociate itself from the United States concerning Viet Nam. The Registrar General of Canada (Mr. Turner) did the same, in a speech made in Montreal recently and, yesterday, the Prime Minister reaffirmed the policy of Canada with regard to Viet Nam, stating that no attention must be paid to the statements made by those two ministers and that only the statements of policy issued by himself and his Secretary of State for External Affairs must be considered.

That statement made by the Prime Minister, cannot satisfy us. All the people in Canada ask this government for a definite, clear and unequivocal statement on its policy conerning Viet Nam. First of all, our foreign

policy must be built upon that question so as to save the world from a third universal conflict and to ensure a lasting peace in south-east Asia.

For too long now, our foreign policy has only been a policy of mediation, without any originality. The time has come for Canada to show some maturity in that field and to make its views known without taking into consideration the opinions of Washington. Since our country was a member of the International Control Commission set up to supervise the implementation of the 1954 Geneva agreements, it had good reasons to assert its neutrality in the Viet Nam conflict, but it seems that this option was rejected and that Canada accepted Washington's invitation to provide a more or less symbolic contribution to military operations to fight aggression and infiltrations by North Viet Nam. Moreover, Mr. Paul Sauriol of *Le Devoir* used those words in his editorial of May 16, 1967, I believe.

In my view, given the present circumstances, it is hard to envisage a solution of the Viet Nam war if we cannot convince the parties concerned that they must accept the good offices of the United Nations and especially of the secretary general in bringing together to the table of negotiations all the parties involved in this conflict. In my opinion, it is to that effect that the Secretary of State for External Affairs should make his proposals and offers of mediation exclusively to the United States and North Viet Nam.

Under the present circumstances, Mr. Speaker, Canada has no other possible choice in that conflict. Therefore, I appeal to the Prime Minister whose qualities as mediator have won him the Nobel prize for peace. The Prime Minister should have enough prestige, I believe, to convince the United States and North Viet Nam that it is more than ever time to trust the United Nations and the secretary general in their efforts to restore peace in south-east Asia.

I wanted, Mr. Speaker, before concluding, to launch an urgent appeal to the Prime Minister of my country, in order that future generations may not accuse us of having failed to avoid a third world war.

[*English*]

Hon. Hugh John Flemming (Victoria-Carleton): Mr. Speaker, I rise to participate in this debate because I feel this is a most important year. This is the year of our Lord 1967, which is the one hundredth year since the institution of the confederation of the great country called Canada of which we are all so proud. I feel, therefore, a special urge to have something to say in connection with the speech from the throne which has been delivered to us by His Excellency.

Before proceeding with any remarks I want to congratulate the hon. member for Burin-Burgeo (Mr. Jamieson) upon the fine speech he delivered in moving the address in reply to the speech from the throne. I should like to congratulate, too, the hon. member for Nicolet-Yamaska (Mr. Côté) upon the very fine speech he made. I have been here since 1960, and I do not believe I have ever heard any better speeches made in moving and seconding the address in reply. These speeches were most impressive. The mover especially, as I understood his remarks and his general attitude, indicated he was in complete control of the situation. He was very eloquent and very capable. He is a distinguished broadcaster by profession, and his broadcast to this house that afternoon enhanced his reputation.

I confess that I enjoyed his speech. At times when he expressed certain ideas in the course of his remarks I felt that he should have been speaking from this side of the house rather than from the other side, because he was advancing ideas which I consider are definitely Conservative doctrine. To give an illustration of what I mean I will paraphrase his remarks. He said Newfoundlanders had demonstrated that in order to gain the new it is not necessary to disregard or eliminate the old. New experiences can enrich an established and proud culture. He said Newfoundlanders continued to give loyalty to the land that made them but they were totally committed to the broader objectives to which we all aspire. He went on to suggest that the promise of confederation had been renewed and the wisdom of its founders vindicated.

I want to say, Mr. Speaker, that I agree most enthusiastically with these words. I consider, however, that they could be condensed into two words if we wished to condense them. Those two words would be "One Canada". This would be the idea we could extract from the language of the mover, one Canada, and that is the national policy of the Conservative party. This is the policy that will stimulate and encourage the unity so important to us all. This is the policy that will make an already great Canada even much greater.

• (12:10 p.m.)

I believe, Mr. Speaker, located as we are in the northern part of the continent of North America, we should continue to make progress within the framework of this confederation called Canada. There should be no question about that at any time anywhere in this country. We should continue to be strong as one country, united as one people, diversified perhaps yet still united and speaking with one voice. Around the family conference table at meetings convened from time to time by the central government we should continue to advance our individual and provincial claims and aspirations; there is nothing wrong with that. At the same time we should be continuing to think at all times and in all places in the country of going ahead as one country and one Canada.

I believe I can safely say that in the year of our Lord 1867, 100 years ago, the province of New Brunswick was relatively well off. We were building wooden ships, and we built a lot of them. We had built the *Marco Polo*, the fastest ship in the world of that day. We were trading with the New England states of the United States, and were trading to our very great advantage. So we were not a weak colony at the time; we were a province which, considering our population, was comfortably well off.

After discussions and consultations with the representatives of the three other provinces New Brunswick was invited to become one of the founding provinces of the confederation called Canada. We decided we would join; we did join; we will continue to belong. It is our duty as a partner to continue an association which has now been enlarged from the four original partners in confederation to ten. The country has grown from colonial status to that of a nation. There is no such thing as turning back; no such idea exists in Canada today. We have put our hands to the plan and we should go ahead, and go ahead with great confidence in the future. We are committed to joint action with national objectives in mind.

The speeches made in connection with the motion presently before the house might very well be considered comments on the program the government has enunciated. As I said at the outset of my remarks I believe this year this debate is a little more than that. The fact that this is our centennial year is one reason to bring about a review of the past, an assessment of the present and a statement of objectives for the future. I think dealing with these three particular phases of our history, past, present and future, might properly illustrate the opinion of members.

In dealing with the past I think we must bear in mind the progress that has been made by Canada as a nation. To start at the beginning, everyone will recall that the four provinces that agreed to the terms of confederation and made confederation possible went through a period of gradual development. History records that these were difficult years.

Professor Creighton in his book "Sir John A. Macdonald, the Old Chieftain", records many more interesting happenings. For example, there was the building of the Intercolonial railway linking the central part of this country with the maritime provinces, the link of that day which bound together the central part of Canada with the east. Then the building of the Canadian Pacific Railway subsequent to the entry of British Columbia into confederation was carried out according to commitments made to British Columbia when it entered confederation. This was the most important link of that day which bound together the central part of the country with the west.

This was no small undertaking, Mr. Speaker. Even today people who make the trip on the Canadian Pacific Railway through the rockies cannot help but be impressed with the magnitude of the task which must have been presented in those days. At that time the equipment we have today did not exist. There were no bulldozers or carryalls to move large quantities of earth. All they had were picks and shovels, horses and carts and some dynamite. These were the essentials of construction equipment of that day, and I marvel that they were able to find a pass through the rockies and put the railway through. It must have brought to the government of that day a tremendous satisfaction and stimulation in the knowledge that they were able to accomplish that which they set out to do, namely the building of a new and great nation.

And so it is today, Mr. Speaker, that confederation comprises ten provinces. One hundred years ago there were but four. After the turn of the century Canada entered world war I. The men of Canada who participated in that conflict covered themselves with glory, and the fame of this country spread around the world. Much sacrifice was entailed at that time, but those who fought in that war brought credit, honour and glory to this country.

Then 21 years later again came the call to arms. Canada once more responded, and

again great credit came to the country. Our fame and glory once more became known the world over. I have said before and I say again that it is the performance of our men and women in two world wars which has brought to Canada a great deal of the international prestige which as a country we have at this time.

Now, Mr. Speaker, 22 years after the close of world war II we are celebrating our centennial. We live in the northern half of the continent of North America which in area constitutes the second largest country in the world. We have made tremendous strides and now have over 20 million people, whereas 100 years ago we had only three and a half million people. This is great progress indeed, and we are on the threshold of even greater progress.

I believe the speech from the throne can be divided into two parts. The first part is a preamble dealing with the past; the second part is a summary of the government's proposed program. There are certain parts of the speech from the throne that particularly appeal to me. I am impressed with the place that the following paragraph in the speech from the throne, as reported at page 2 of *Hansard*, gives to the individual and to the development of the individual:

> It was possible to think, in 1867, of the public responsibility primarily in terms of state responsibility. The new challenges, which we must and will meet, require the involvement of the whole society and the efforts of all our people. In this time of fast-changing dimensions, the central concern of Canadian society must be the well-being of each individual, so that, regardless of his place or station at birth, he will have an equal chance to realize his full potential in the economic, social, political and cultural sense.
>
> A country is a home; it must be built and furnished for the good life of its people.

• (12:20 p.m.)

With this part of the speech I agree completely. I believe all governments charged with the responsibility of presenting a program to parliament ought always to place the emphasis on those parts of the program that will contribute to the well-being of every Canadian. Nevertheless, as those of us who have had much experience in the past recall, what was done in the past by individuals was usually done with a desire to create conditions under which individuals could develop their talents and give full scope to their ambition, energy and desire for progress in an economic and social sense. By following that principle this country has progressed.

I say to the government that progress will not continue to be made if handouts are promised to people without regard being paid for the need to produce. A government cannot keep adding people to its payroll, cannot compete with private industry for skilled and executive talent, cannot keep wasting money needlessly and recklessly, without running into deficit financing and being obliged, to avoid disaster, to borrow money to pay for current expenditures. Disaster will overtake us because we shall not be able to sell our goods in the markets of the world if those conditions I have mentioned prevail.

I listened with great interest yesterday to the speech of my hon. friend and colleague the hon. member for Kamloops (Mr. Fulton), who confirmed what we all know—though some do not admit this—that today people are worried about the reckless waste and extravagance of this government. Everywhere they look they see evidence of that.

Some hon. Members: Hear, hear.

Mr. Flemming: It is not difficult to see.

Some hon. Members: Hear, hear.

Mr. Flemming: The people are worried because that expenditure is causing the cost of living to increase. Every time they buy groceries or other necessities of life they see that the buying power of their dollar has dwindled. And the reason for this decline, as I said a few moments ago, is that so much is being paid for so little.

The people are worrying because they see much evidence of the government competing with business; they see groups of people doing work that formerly was efficiently performed and at a fraction of the cost efficiently by private industry. Groups of people are now doing work that was formerly undertaken by private industry. Money would be available for many more good things in this country if certain government operations were performed in conjunction with private industry, if private industry were asked to undertake certain matters, rather than harnessing groups of people who have been collected together because somebody wanted to build an empire, to perform them.

Some hon. Members: Hear, hear.

Mr. Flemming: That is happening in this country, and I warn the government that unless that sort of thing ceases the country is heading for trouble and may be faced with disaster.

The people also are worried because they see money that is voted for crown corporations being disposed of by those corporations as they see fit, usually for useless or nonsensical purposes. Within the last hour we listened to the hon. member for Brantford (Mr. Brown) talk about television. He said that on television alone the C.B.C. was spending $88 million. I ask, Mr. Speaker, where does that money come from? The answer is perfectly obvious. It comes from taxation, because it could come from nowhere else.

When the people of this country see that sort of thing I think in the first place they become discouraged; they wonder where all this will end. Second, they say "Well, if this is the way the government is throwing it away I might as well get all I can out of it." I am afraid that is the sort of reaction brought about by the situation I have referred to. I should be glad to go into more detail, but time does not allow me to do so.

Again I wish to refer particularly to those portions of the speech from the throne which refer to our natural resources, and to pollution. I might say I am inspired to quote what I am about to quote by the excellent speech made the day before yesterday by the hon. member for Kindersley (Mr. Cantelon). He went into the subject thoroughly. What he spoke of as being an interprovincial problem in Saskatchewan in my province is approaching the proportions of an international problem. The difficulty in my province is that much worse. I quote from the speech from the throne:

> The great natural resources that we take into our second century will be vital to us in meeting our needs and in maintaining our position as a major world trader.

That is what I said a few minutes ago:

> Measures will be introduced by the government at the present session arising out of the need to conserve and preserve the great wealth with which Canada has been so richly endowed. Water itself is becoming a more and more valuable resource. Efforts to combat pollution are taking on an economic as well as a social significance and the federal government intends to press forward in cooperation with the provinces. In keeping with this objective, you will be asked to approve a new Canada water act which will provide a framework for the improvement and implementation of Canadian water policy.

I draw the attention of the house to the sentence "Efforts to combat pollution are taking on an economic as well as a social significance and the federal government intends to press forward in co-operation with the provinces." I am pleased to see that sentence, and I shall remark about it.

[Mr. Flemming.]

One of our greatest worries arises from the pollution of our water; and in New Brunswick, which is my native province, the problem of water pollution is most serious. We have eight large pulp and paper mills now operating, and another has been announced for the reasonably near future. We have mineral developments which are operating, and more are to come; also we have industries based on farm products. We need federal action because some of our pulp and paper mills are on interprovincial waters, some are on international waters, and we have a disposal problem. We need a regulating agency in which the federal government, with the provincial government, shall have a part. In other words the agency must have authority to act. As matters stand now the question always arises "Who has jurisdiction? Under whose jurisdiction does this matter come?" The house is indebted to the hon. member for Parry Sound-Muskoka (Mr. Aiken) who has spoken about water pollution time and time again.

New Brunswick has six good salmon rivers which must be protected and, where needed, improved. Those rivers should be preserved, for they are tremendously important to all New Brunswickers and to our tourists. We make tourists a business, yet we allow our waters to be polluted. We take no care of that which appeals to the tourists. Why do tourists come to our province? Because they want to get out of the cities. Canada at present has wide open spaces which attract the tourists.

• (12:30 p.m.)

So I commend the government on this part of the speech from the throne, while urging them to do more than talk. It is not too late to effect an improvement, and it is not too late to clean up the mess. And there is a mess; I think this applies to nearly every province; I am not talking about New Brunswick alone, where I know there is a mess to be dealt with. The federal government must give leadership; it must co-operate with provincial and in some cases municipal authorities. The need is urgent, and action must be taken without delay. I hope no time will be lost before presenting something to this house which will set the machinery in motion for immediate action and subsequent improvement.

Having spoken in these general terms I wish to be more specific. At the present time we have a definite and pressing pollution problem affecting the Saint John river, one which is especially urgent on account of the large hydro-electric development 15 miles

north of Fredericton in central New Brunswick, where the dam across the river will be in operation by late 1967.

This will transform the Saint John river at that point and for a long way upstream into a virtual lake 55 miles long and as much as a mile wide in places. This water will not be fast running; indeed it will be stagnant for a portion of the time. It is clearly evident that a great effort must be made to keep such a large body of water free from pollution. Incidentally, something similar to a lake will be created by the building of this dam and will lie roughly parallel to the trans-Canada highway.

Having said this, and having asked the house to keep the need for action very much in mind, I wish to give some information relative to the Saint John river which will indicate the extraordinary difficulties of the situation and the need for special and immediate attention by the federal authority. The Saint John river rises in the state of Maine and flows a distance of approximately 50 miles or more entirely in that state of the United States until it becomes the international boundary between New Brunswick and the state of Maine beginning at St. Francis, Maine, and Clair, New Brunswick. It then flows a distance of something like 100 miles as the international boundary between New Brunswick and Maine until it reaches the town of Grand Falls in Victoria county.

Below Grand Falls and its mouth the river is all in New Brunswick, and it flows roughly parallel with the boundary for about another 100 miles until it reaches a point at or near the town of Woodstock, after which it swings to the southeast, away from the state of Maine boundary, and finally empties into the bay of Fundy at Saint John, New Brunswick.

It is hard to imagine any body of water having more difficulties of jurisdiction than has the Saint John river. In rough terms the river runs about one third of its course in Maine, about one third as an international boundary and the remaining third in the province of New Brunswick. I doubt whether a more difficult stretch of water could be found as far as jurisdiction is concerned.

The upper portion of the river, particularly the international portion, has town and villages on each side all the way down to Edmunston. Edmundston is a city of over 10,000 people. On the opposite side of the river is Madawaska, Maine, another fair sized town. In Edmunston there is a very large pulp and paper mill which dumps its waste into the river; in Madawaska, Maine, a finishing mill.

After leaving Grand Falls the river flows in a southerly direction and practically parallels the Maine boundary from Grand Falls to Woodstock, New Brunswick, a distance of approximately 100 miles. Within this distance on the western side of the Saint John river there are many fair sized rivers which empty into it after rising in the state of Maine.

There is the Aroostook river on which are located the towns of Fort Fairfield, Presque Isle, Caribou and Washburn, small rivers by the names of Big Presque Isle and Little Presque Isle and, finally, the Meduxnekeg river, upon which the large town of Houlton is located, flowing into the Saint John at Woodstock. Raw sewage, industrial waste from starch factories and waste from sugar beet processing plants are among the pollutants which eventually find their way into the Saint John river across which, as I have said, a power dam is to be built 50 miles below Woodstock, creating a 55 mile lake into which all the up-river pollution will flow. Is it any wonder that I am standing here and pleading with the federal government to do something about this situation because of the international implications involved?

I think at this point I should mention with much appreciation the tremendous effort which has been made by the mayor of Woodstock, Mr. Gerald Gallop, and the council of that town to secure co-operation from the state of Maine in improving the situation, and in pressing the provincial government to take all possible measures to improve the condition of the river in the New Brunswick portion of its course. They have worked ceaselessly and effectively to correct the situation to the extent of their ability to do so. But their authority is limited. The prestige of the federal government is needed. We need agents of the federal government who will step in and say "We represent the government of Canada. We are here to co-operate with the town of Woodstock. We are here to help them and to work with them and the provincial government in solving this problem." Incidentally, the authorities of Woodstock have had good results so far following their contacts with Senator Muskie from the state of Maine, and the response from a number of the town authorities in that state has been quite satisfactory.

My main point concerns the importance of finding someone who can speak for this nation with prestige and authority.

Mr. Deputy Speaker: Order. I must advise the hon. member that the time allotted to him has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Does the house consent that the hon. member may continue?

Some hon. Members: Agreed.

Mr. Flemming: Thank you, Mr. Speaker. I thank members of the house for their consent and assure them that my remarks will not be lengthy from now on.

The Woodstock *Bugle*, a weekly newspaper published in the town of Woodstock, also deserves special mention and appreciation for the campaign it has waged to inform the public of the seriousness of the situation and the need to press for all possible measures to effect an improvement. There has been a favourable response. I urge the government to initiate action in co-operation with the United States authorities to co-operate with the town of Woodstock and other towns up river in Carleton and Victoria. It may be said we should invite the International Joint Commission to pass on this whole situation and make it the subject of a study.

Mr. Speaker, we need something which will be more prompt and more effective than a study. This has already been studied to death. The question of pollution in this particular part of Canada has been studied again and again. Yet everyone who wishes to pass the buck says "We can do a study". These studies last for years. It is time action was taken. It is time to apply remedies. I believe the government should immediately send a member of the staff of the Department of Energy, Mines and Resources to the town of Woodstock to consult with the mayor and the town council, to ascertain what has already been done, agree on a further course of action, and then pursue it.

• (12:40 p.m.)

Having agreed on a course of action, and ignoring jurisdictional difficulties, they should bring back a report, they should recommend something to be done about this. Then the appropriate federal department, I presume the Department of External Affairs, could get busy and the provincial government could likewise get busy, and the state of Maine and the federal government of the United States would co-operate. There has never been any lack of co-operation in that respect. I think we are in a little better situation than that referred to by the hon. member for Kindersley (Mr. Cantelon) yesterday, who said they were getting no co-operation. We are getting lots of evidence of a desire to co-operate, but there is no overriding authority under which the various bodies can co-ordinate their efforts and effect an improvement.

I believe the situation should be brought under control before the Mactaquac dam goes in this fall and the river becomes a 50 mile lake at this point. Therefore I appeal to the Minister of Energy, Mines and Resources to give this matter immediate attention and provide immediate action. I appeal to the Secretary of State for External Affairs to deal with the matter in the light of the information I hope he will receive in such a report and in co-operation with the federal government of the United States of America.

I must say in all seriousness that the usual procedure is just not good enough in this particular instance. We are now well along in May, and I understand that the New Brunswick Electric Power Commission expects to have power from the Mactaquac development project by Christmas of this year. This means that the river will probably be dammed up in September or October. Therefore there is no time to be lost. Action must be taken immediately, and I appeal to the minister to lose no time.

So, in summary, I urge the minister with all the force at my command, and all the force I am able to convey, to secure immediately a report relative to the pollution situation on the Saint John river in New Brunswick. There are other rivers in the same province which require attention, but I believe it is quite appropriate to say that the Saint John river is the most urgent problem at this particular time.

Mr. Reid Scott (Danforth): Mr. Speaker, in participating in this throne speech debate I wish to raise a problem which we have tried to raise with only relative success over the last four or five years. That, of course, is the problem which confronts our people in Canada because of the housing shortage that we face, which is daily growing more critical.

I know that every time we raise this question we are accused by the government of making political capital out of it, and perhaps to some extent that charge is justified; but in a way that is our job, to raise these issues and to attempt to pressure the government as much as possible in order to have it take action. I think the record should show that there is not a single solitary minister in the

house at the present time when we want to discuss matters of this kind.

Indeed, Mr. Speaker, when one examines the whole housing problem as it confronts us here in Canada, in a way one almost despairs of ever being able to move the government or to make any impression on it which will steer it on to greater action. Every session we go through the same charade, when we place all the dreary facts on the record and nothing ever happens. When I was coming down to the house today to speak I picked up a speech I delivered four years ago, and I could bring it in and read it into the record verbatim because nothing has happened since and nothing has changed. So we will go through it again and hope something will happen, and that the government will take some concrete action.

I read the speech delivered by the minister in this debate and I could not believe my eyes. It was one of the most pathetic, inadequate, incomprehensible attempts to deal with the housing crisis that one could possibly have imagined. Indeed, Mr. Speaker, if you examine the record and look at the facts you will find that after 40 years the situation in Canada is that people in 1929 were actually able to buy better housing with a lower percentage of their income than they are in 1967.

That is the devastating comment that I make upon the history of North America's and Canada's attempts to house our people. We are actually further behind than we were 40 years ago. What are the dreary facts? Some of them should be placed on the record.

Fact: 100,000 Canadians are living in absolutely appalling conditions.

Fact: 20 per cent of all our dwellings have primitive bathing facilities and toilet facilities.

Fact: one out of every three Canadian homes is in bad condition.

Fact: we have a shortage of half a million houses just to catch up with the backlog of the last war.

Fact: half a million Canadians are living in substandard homes.

Fact: the economic council says we need a minimum of 170,000 homes every year from now until 1970, and 200,000 from that point on. We have never come close to achieving that target.

Fact: because of the housing shortage rents are going up 20 per cent each year and more and more of our people are being gouged.

Fact: Canadian consumers spend more of their income per annum on housing than consumers in any other industrialized country in North America or western Europe.

Fact: a world survey shows us sixteenth among the countries of the industrialized world in terms of what we have to spend for housing.

Mr. Speaker, one could go on and on and on. Those of us who are interested in this subject have files five feet high indicating and documenting the total inadequacy of the attempts of the various levels of government in Canada to solve the housing problem. In my own city of Toronto we are in need of a minimum of 40,000 new homes a year, and we are building 21,000.

The cost of homes in Toronto is up in the stratosphere with the astronauts. In 1964 the average cost of a home was $19,000. In 1966 it had risen to $27,000 and today, 1967, the average home being sold in metropolitan Toronto costs $30,000. That, Mr. Speaker, is totally beyond the capacity of the vast majority of our people. That is why we on this side of the house get so annoyed when the minister gets up and mouths statistics about the number of housing starts and the amounts of money he is putting into the mortgage market, because all he is really doing is permitting people to build homes that 85 per cent of our people cannot afford to buy anyway. There is no percentage in such a proposition.

It is futile to say we have a housing crisis in Canada. To make such a statement is trite. It is perfectly obvious. It is the solution that is much more difficult, and that is where we are having our major problem here in the House of Commons. If you review the activities of the government in this year I think the first thing you have to conclude is that the present minister has to be removed. He is a fine person individually and nobody has any quarrel with his personal qualifications, but it is perfectly clear from his public utterances that he understands nothing about housing and is not prepared to assume any responsibility whatsoever.

For example, on January 25 the Toronto *Daily Star* reported a speech he made as follows:

> Federal Minister J. R. Nicholson said last night said the housing crisis is a problem for provinces and municipalities to solve, not the federal government.

If the minister starts out with that type of attitude there is no hope at all of our ever solving the housing crisis. I know there are great constitutional difficulties in this field,

but to me it is fantastic that the federal government takes the position that we do not have a responsibility in this field. Housing is something that affects every Canadian from coast to coast, and every Canadian in every age group. It affects our young people who are getting married. The tragedy today is that most young couples getting married will never be able to own homes as long as they live because the costs are too fantastic and are going up all the time. It affects out old people who, because of our crazy tax system, are losing their homes because they cannot afford to maintain them. It affects the man with a family who is paying so much to buy or rent a home that he is depriving his family of all the other social amenities that are required for their well-being.

• (12:50 p.m.)

Yet the government sits here in Ottawa and takes the position that this is not a responsibility of the federal government. To me this is incomprehensible and fantastic, particularly when the department is headed by a minister who takes the view that this is so and all we have to do is vote money for mortgages, which permits builders to build homes that people cannot afford to buy anyway. I think it is absolutely desirable now, unfortunately, that the present minister be removed and someone put in his place who is prepared to give leadership and assume responsibility.

I remember that four years ago when the minister took over this portfolio we were congratulating him and saying how much we admired the opportunity he had, that he had it within his grasp to sort of paint the broad sketch for Canada and to really build for himself political epitaph by initiating and inaugurating a great new, imaginative housing scheme for our country. And he has done nothing. Unfortunately he will be remembered as a minister who did not accomplish anything substantial in this whole field.

Not only that, Mr. Speaker, but because of the complexities involved—and no one denies this; we know there are constitutional difficulties, that it is hard to come to grips with our provinces and the prejudices of our municipalities—it seems to me we need, as we have been asking for years, at least a full time minister. We have a part time minister of housing in Canada now; most of his time is occupied by the problems of labour, which probably accounts for the fact that nothing very much has happened in the field of housing. We have been requesting for years that if we are to deal with this problem adequately we should at least have a full time minister.

[Mr. Scott (Danforth).]

It seems to me that even if we had a full time minister he could spend the next five years doing nothing but trying to come to grips with this tremendous crisis that we face.

We sit here and quote statistics and figures, forgetting that people are involved. Old people, young people, citizens from coast to coast are involved in this question. It makes one ashamed to tour one's constituency and see the conditions under which so many of our people are condemned to live. I wish the minister would get off the cloud that surrounds him at C.M.H.C., where they feed him all these cooked-up statistics that he brings to the house, and would get out and see the conditions under which Canadians are forced to live. If the minister did this I think we might then get some sort of action.

I believe also we have to admit to the Canadian public that there is a crisis. This government have never even admitted that fact. They stand up in this house and tell us there is no problem and everything is rolling along well. I think once in a while we ought to be honest with the public and admit that there is a tremendous problem in this area, and there is not any easy or quick solution to it. We should admit that it will take the ingenuity and talents of people in the House of Commons, in our provinces and our municipalities for as long as we can foresee in order to come to grips with this particular problem.

One of the difficulties we face is the traditional constitutional prejudice of our provinces, which feel that any activity in Ottawa is an intrusion into their fields of jurisdiction. Surely this is something we have to fight against. I remember that when I used to be a member of a provincial parliament at Queen's Park in Toronto, every time a problem was raised I was told it was up to the federal government to deal with it. Now I am here listening to the federal government, and they say it is up to the province. Each side seems to spend its time hiding behind the British North America Act and shoving off the responsibility to somebody else.

If we do not accept some leadership in this area future generations will curse this parliament, because the whole housing crisis epitomizes the great dilemma of our generation, which is the urbanization of Canada, the flow of people to the cities and the increasing trend away from rural communities. By 1970 probably 80 per cent or 85 per cent of our people will be living in the cities. This creates tremendous problems for legislators, not just

in the field of housing, although that is more immediate and obvious, but in every conceivable area—education, culture, communications, transportation and revitalizing of the cities. This is the great problem with which North America will have to grapple over the next few decades. That is why it is frustrating to us in opposition to see a federal government that is not prepared to assume any responsibility at all, that takes the view that it can write off this whole problem, pass it over to the provinces and not give any real leadership or action.

Who is taking this attitude? It is the great Liberal party, the so-called party of progress, the new people, the young people, the ones who are going to lead Canada into the great new community. These are the ones who run around the country telling everybody that they are familiar with all the questions and know all the answers, yet when we raise a question of tremendous importance we are told it is not their responsibility and is not their sphere of activity. As I said earlier, if they continue in this way I believe future parliaments will curse us for having sat back and permitted this tremendous social problem to continue without attention, without leadership and without action.

Mr. Speaker, may I call it one o'clock?

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Scott (Danforth): Mr. Speaker, before the adjournment I was outlining the very critical housing crisis which faces Canada, and in the first part of my remarks I indicated that one of the major roadblocks was the minister himself. I know he will not take that comment in any personal way, but in view of his negative attitude and many responsibilities as Minister of Labour it is obvious to everyone that he cannot possibly attack this problem in any real way.

It is trite to suggest that we have a housing crisis in Canada. The solution to the problem is the difficult thing. We must find some way to come to grips with it and to make concrete suggestions as to what we ought to be doing. In the 15 minutes left at my disposal I should like to make an attempt in this regard, but hon. members will understand that in 15 minutes one could not possibly outline in any detail a complex attack upon a complex problem.

There are some things we can do in both the short and long range categories. In the short range we should start by tearing up the National Housing Act. I prefer to call it the national hoaxing act because it was designed over 20 years ago under conditions that no longer exist and in circumstances that no longer prevail. It was designed as the working man's housing act, but in these days one cannot qualify to buy a house unless one earns $8,000 to $8,500 or more per year. This is nothing but socialism for the rich and deprival for the poor, and it is totally out of touch with today's circumstances. We must begin again by rewriting the National Housing Act.

Second, we must try to do something about the prices of homes. This is not going to be a simple problem because so many complex ingredients go into our houses. However, there are many things that can be done. All kinds of new building techniques exist which are more economical and there are new concepts of holding land such as the idea of leasing it, which we do not accept. There are a multitude of new ideas that we could adopt in Canada if we were not operating, as the N.H.A. does, with a set of blinkers over our eyes. This is one area where we must start again under entirely new terms of reference.

In Canada we have never developed a sensible way of financing houses. It has been dealt with in the last 25 years by means of the method of pump priming. When unemployment becomes high we flood the market with mortgage money. This merely results in inflated land and house prices. We have never developed an orderly system for arranging for the financing of homes, and this must be the responsibility of the federal government because nobody else has the capacity. We need a national housing fund, if you want to call it that, which is financed by the government, and the government must be responsible for providing an orderly system of supplying money to builders and individuals for building and buying homes.

Next we must be concerned with the whole method of providing rental homes in Canada. Under the circumstances existing today it may well be that the great North American dream of every man having his castle has disappeared because the costs are becoming so great that most people will probably never be able during their lives to undertake the purchase of a home. As our cities become

larger and our population grows we are simply going to have to think in terms of different ways of housing people in multiple dwellings or apartments, much as I dislike that idea.

Our national policy in respect of public housing is a disgrace. In the whole of Canada we are not doing the same amount of work or accomplishing as much as some of the cities in the United States. In the whole area of public housing our policy has been a total flop and a national fiasco. The responsibility in this regard rests upon the government here in Ottawa, because it is only here that there is the financial power to promote these types of schemes.

We are doing virtually nothing about the problems of urban development and urban renewal. No matter where you go in the cities in Canada you find they are rotting at the core because of the dilapidation and decay of houses as they get older. I know of no real urban development scheme anywhere in this country that is genuinely being put into effect. Again we must have some leadership in this area.

• (2:40 p.m.)

The seventh point is that we have to start simplifying the regulations. Under the National Housing Act we have tried to process applications. In some cases one must go through 52 different steps in order to process a building program. This takes years and before it is done everybody gives up in disgust and drops the project. This again has to be completely re-examined.

The next matter I wish to mention is the fact that we have done nothing really solid in the way of public housing in Canada. It is given a bad name. Our municipalities will not encourage it because they have an antiquated idea that public housing means a lot of undesirable people and therefore they have a built-in bias against it. We have not been successful either in Ottawa or in the provinces in overcoming this idea.

The eighth point on which I would like to say a few words is the necessity of dealing with the problem of the government's participation in land assembly and land development. Leaving it to private people simply has not worked in this country. This is not a criticism of them. They are in the business to make money. But the net result has been that land assembly and development have been undertaken by private individuals who have been constantly bidding the price up and up and charging what the market will bear.

[Mr. Scott (Danforth).]

Housing lots in metropolitan Toronto which were selling for $4,000 a few years ago are now selling at $12,000 because of the speculation that has gone on. The price of houses will never go down to where ordinary people can buy them unless the government is prepared to take over the land and assemble it.

My next point is that we have to do something about the tremendous responsiblity of the municipalities. Many municipal councils are driven out of their minds by the taxation problems facing them. We have loaded them with all kinds of responsibilities without giveing them a tax basis upon which to carry them out. For example, it is an anomaly on the North American continent that the cost of education should be borne by the people who are least able to bear it. Almost nowhere else in the world is this the case. We have to re-examine these matters in conjunction with the provinces.

I wish I had more time to discuss some of these problems and I will try to do so on supply motions. These are some of the immediate steps which we could be taking if we were prepared to do so. However, the main problem is that this government will not accept responsibility. It does not take the view that housing is a matter of national importance and national concern. It is, without exception, the greatest social problem facing this country and affecting every Canadian today. Yet the minister in charge of housing goes around the country telling everybody it is a provincial and municipal responsibility. This is a complete negation of the duty which we owe to the people of this country. Before we can hope to accomplish any of these things, and none of them is easy, the government must stand up and be prepared to say that it accepts full responsibility nationally in the field of housing.

Mr. Trudeau: Will the hon. member permit a question? Does he not see a constitutional difficulty in the assumption of these responsibilities by the federal government?

Mr. Scott (Danforth): Of course there is a constitutional problem. I was coming to that. I was going to say that so far as I am concerned I believe the constitution is being used as an excuse. Each level of government passes on the responsibility to another level. The municipalities say that the provinces should accept it, the provinces say the federal government should, and the federal government says it is not its responsibility.

Mr. Trudeau: Is the hon. member saying that public housing is under federal jurisdiction?

Mr. Scott (Danforth): The minister must not put words in my mouth. I am not saying it is a matter of federal jurisdiction. I am saying this is a federal responsibility which the government is evading and refusing to discharge. This is the point, it seems to me.

Mr. Trudeau: May I ask another question? How can it be a federal responsibility if it is not a matter under federal jurisdiction?

Mr. Scott (Danforth): This is just ridiculous. I hope these questions will not be counted in the 15 minutes left to me. Housing affects the life of every Canadian from the cradle to the grave.

Mr. Trudeau: So does education.

Mr. Scott (Danforth): What is the use of spending millions of dollars on educating our people if we let them live in substandard housing? We get sick and tired of seeing the government hide behind the B.N.A. Act every time we want it to do something. Of course housing is not solely a federal responsibility, but how will the government solve the problem of housing in this country? No level of government alone can possibly take care of it. It should not be the sole responsibility of the municipalities, the provinces or the federal government. What is required is a gigantic partnership of all levels of government, and even then we will be lucky if we solve it. We should start by appointing a minister who will devote all his time to dealing with the problem instead of having a minister who can only deal with it when he is not looking after all the labour problems in the country, which are numerous enough. What we need is a ministry of urban development and housing. Let us start by appointing a full-time minister who will devote his brains and intelligence to the whole problem of the urbanization of Canada. This will not be rejected by the provinces because they are desperate for aid in this area. Talk to any of the provincial ministers or municipal leaders. They are desperate for leadership, assistance and help.

Mr. Trudeau: Including Quebec?

Mr. Scott (Danforth): Yes, including Quebec. Quebec is no different from any other province. Quebeckers are Canadians also.

Mr. Trudeau: Then why does the hon. member's party ask for a special status for Quebec?

Mr. Scott (Danforth): This is an entirely different area. Hon. members on the government side are getting excited, but I suggest to them that the people of Quebec are Canadians first and Quebeckers second. The government is afraid to test them on it. That is the problem. It would like to play Quebec off against the rest of Canada. That is how it has remained in office for 20 or 30 years. It is about time this finished.

Mr. Trudeau: Why did the hon. member's party ask for a special status for Quebec?

Mr. Scott (Danforth): Mr. Speaker, there have been many interjections from across the way. I do not suppose they will appear in *Hansard*, but my experience has been that those members who are in the habit of interjecting are also those who sit on their brains trying to keep them warm. This may be an old cliché but it is true.

Mr. Trudeau: If the hon. member insists that it appear in *Hansard*, may I ask him another question? If the hon. member feels Quebec is no different from the rest of the country, why did his party move an amendment a few days ago suggesting that the constitution be amended so as to give a special status to Quebec?

Mr. Scott (Danforth): I know the Minister of Justice is very anxious to put me on the horns of an imaginary dilemma but I do not intend to permit him to do so. What he is really trying to do is to get himself off the hook. I am attempting to discuss the restricted field of housing but the minister is trying to divert me into discussing the whole problem of the province of Quebec with its particular difficulties. It is neither appropriate, reasonable nor fair to attempt to do that at this time. Speeches on the constitutional problem have been made by hon. members sitting on our side of the house.

Mr. Trudeau: It is nice to be consistent.

Mr. Scott (Danforth): A plea for consistency is a novelty from that side of the house. The other day we were told that a cabinet minister can take off his ministerial hat, put on his private hat and make any kind of statement he wishes without having any effect on the government. So consistency is not something about which hon. members on that side should be talking.

I see I am almost running out of time and I want to conclude on a friendly and constructive note, as we always do. We have suggested a full-time minister of housing, which I know many hon. members opposite support and have spoken in favour of in caucus. It is not a novel idea. We know there is good support for it. We hope we will be able to convince the government. They will never solve the housing problems otherwise. We need a minister who can spend all his time roaming around the country trying to co-ordinate all the great jurisdictional problems which we know exist.

• (2:50 p.m.)

Three years ago we asked for a royal commission because we really do not know the problems connected with urbanizing Canada. We need to know what types of housing we are going to require for the next 20 years. We need a blueprint for the next 20 years. We have not done that and we have not got the information. If the government desires, perhaps a special committee of the house, with an adequate staff and facilities to travel, could try to assess the type of program which would be satisfactory to the provinces and in which the provinces would feel we could help without infringing on their jealously guarded jurisdictions.

Everyone agrees that there is a crisis for which no one group can offer a solution. As I said earlier, it is going to require a great partnership, a great deal of co-operation, a great deal of giving on the part of these various jurisdictions. I suggest that even if we started with the best will in the world it would take 10 or 15 years to come to grips adequately with the housing problem. We cannot evade it any longer. We cannot just sit on the sidelines—

Mr. Deputy Speaker: Order. I must advise the hon. member that the time allotted to him has expired.

Some hon. Members: Go ahead.

Mr. Scott (Danforth): I thank hon. members, and I will only be a couple of minutes—

Mr. Deputy Speaker: Order, please. Does the hon. member wish to continue?

Mr. Scott (Danforth): Yes.

Mr. Deputy Speaker: Does the house give its consent to the hon. member to continue?

Some hon. Members: Agreed.

[Mr. Scott (Danforth).]

Mr. Scott (Danforth): I should like to thank my colleagues on both sides and I will not take very much more time. What I was trying to say, Mr. Speaker, was that this problem is so critical, so deep rooted, that we cannot sit here in Ottawa and say it is not our problem. Our provinces are desperate for help in this area. Our municipalities are desperate for help in this area, and our people are desperate. I am ashamed, as a Canadian, to go to see how our old age pensioners live. I am saddened to see how our low income people live. I am ashamed of the rotting, decaying centres of our cities. The federal government must assume some responsibility and some leadership. If it does not, the crisis will merely grow and grow. It will never be solved. It will be our shame that one of the most affluent and supposedly advanced nations in the western world did not have the ability or the ingenuity to ascertain how to house its citizens adequately. As I said ealier, if we do not solve this problem, then future parliaments and future Canadians will curse us.

[*Translation*]

Mr. Jean-Paul Matte (Champlain): Mr. Speaker, I should like to join all those who spoke before me in congratulating the mover (Mr. Jamieson) and the seconder (Mr. Côté) of the address in reply to the speech from the throne. They discharged their duty with eloquence and great distinction.

Mr. Speaker, surely the centennial year will be an excellent occasion, for all Canadians, to strike the balance of achievements and failures having marked the last one hundred years of their history, to look at themselves, to look straight at the country and to consider the means of preparing a future capable of meeting their high aspirations. On this occasion, the question is to examine our past and scrutinize the future, as this will enable us to better understand what we are today and what we must do to become worthy of tomorrow.

Perhaps Canada has not accomplished everything it could have, but if we measure our progress, there is no reason to be pessimistic. There is no need to be ashamed of our past, on the contrary. If we look at what has been done by the 20 million people who succeeded to the 3,635,000 inhabitants of our country a hundred years ago, we see thousands of industries, skyscrapers, railroads, harbours, power plants, asphalt roads used by a great number of car drivers, airfields, thousands of homes and a lot of other things which are that many signs of material progress.

We can also see the sun shining on the roofs and spires of thousands of cathedrals, churches, colleges, universities, cultural institutions of all kinds which are a tangible proof of our respect for moral values.

The collective letter published by the Catholic bishops in Canada on the occasion of the centennial of the confederation—a very realistic letter which I should like everyone to read—takes an objective and impartial look at our problems today. The words justice, fraternity and understanding are used again and again in the document.

I shall now quote a passage from the letter:

> Canadians today are faced with many problems: incipient inflation, persistent pockets of poverty, economic or political instability. For some, however, the greatest and most difficult problem is to find a solution to the troubles arising in Canada from the coexistence of the two main linguistic and cultural groups which, strangely enough, constitute two opposing majority groups.

In some ways, this is a very basic human problem, for it involves important values and concerns people both materially and spiritually.

The bishops consider that the disquiet now prevalent in the Canadian community arises, on the one hand, from the dissatisfaction of an increasing number of French Canadians with the problems facing their ethnic group in their search for fulfilment and, on the other hand, from the concern entertained in other areas of Canada over their demands.

Consideration is also given the problems of minorities and I quote:

> The minorities living in Canada are not all in the same position. Care must be taken to guarantee fair treatment to each of them and the sacrifices such treatment involves in the cost of some services, education for instance, in the provinces, must be accepted.

The prelates give us a warning and I quote:

> Canadians will live through dark days, through fruitless and impoverishing strife, unless the various groups inhabiting their country, particularly the two main linguistic and cultural groups, cannot accept and recognize without reserve or misunderstanding the legitimacy of their differences and of their own destiny and if they fail to accept, in mutual respect of their rights, the compromises required by their special position.

Mr. Speaker, residents of Canada may have different traditions, cultures, religions, forbears and incomes, but they must feel they are essential parts of the Canadian community.

• (3:00 p.m.)

There is talk of separatism, of an associate state, but our whole history proves that breaking up Canada in small states would be like snuffing the candles in a castle, blowing them out one by one until the whole castle is in the dark.

I say and repeat that if as much had been done previously as the Pearson government has since achieved toward a better understanding of the French-Canadian people, of the aspirations of the French Canadians and of the province of Quebec, there would be no question today of separatism, associate state nor, for some people, of joining the United States.

The province of Quebec has no desire for a special status, although it is not a province like the others. It does not look for privileges but it wants its right to be respected 100 per cent; just as it respects the rights of others, it wants the rights of the French Canadians respected throughout Canada.

Doubtless, the constitution needs some changes, some explaining. Indeed, each new act adds something to it and even now we are having a closer look at the fundamental problem.

Mr. Speaker, to love one's country is, among other things, to know what it was, to know what it is and whit it can become, and then to reach for the indicated ideal. With some perspicacity, and the firm and generous resolution to do the utmost, Canada can achieve great things in its second century, achievements which Canadians can be proud of when the second century is celebrated.

Mr. Speaker, before I conclude my remarks, I would like to say a few words about my constituency of Champlain. All our rural parishes, all our small communities want industries that will enable them to develop. They are ready to any sacrifices necessary, and they await with anxiety the industrialists and industries that our governments could send to them. We have a sound population, and it is unfortunate that the people in each parish cannot develop for themselves a future at home.

Many of them, mostly sons of farmers, have to migrate to larger centres, often increasing the number of unemployed.

I asked the Minister of Industry and Defence Production (Mr. Drury) to declare the whole new Champlain county a designated area. Part of it is already designated; the rest should also be designated, and this is urgent. I refer specifically to that part of the county of Portneuf that will fall in the county of Champlain. Several industries, one of which is one hundred years old, were shut down, leaving the population unemployed and in a disquieting economic situation.

In the past, I also talked about expanding the port of Trois-Rivières to the east, that is at Ste. Marthe, of Cap de la Madeleine, as a means of developing the northern economy. We are still waiting, and I think that the matter has been under consideration for quite a long time.

Mr. Speaker, I would not want to repeat the speech I made the last day of the last session about agriculture. An amendment was moved by the opposition, but it was strictly for political and partisan purposes; that is why I voted against it, because this government has done more for agriculture in eastern Canada than any other government.

Our friends opposite are ready to do anything today and they criticize—which is an easy thing to do. However, what did they do for our eastern farmers when they were in power and even had an absolute power?

I recognize that the new dairy policy, although not complete, is a step forward, but it does not meet fully the requests which were made. The matter of quotas, especially, is a puzzle—for instance, the withdrawal of the subsidy on surplus liquid milk. But I know that the Minister of Agriculture (Mr. Greene) is doing and will continue to do everything in his power to give as much satisfaction as possible.

On May 24 next, that is next week, the farmers will march on parliament. We shall be very happy and very proud to receive them.

[*English*]

Mr. R. J. Orange (Northwest Territories): Mr. Speaker, I wish to join other members of the house in congratulating the mover of the address in reply to the speech from the throne, the hon. member for Burin-Burgeo (Mr. Jamieson), and also the seconder, the hon. member for Nicolet-Yamaska (Mr. Côté) on the fine contribution they made to this debate. As one who is relatively new to this house, and having heard only one other debate on the address in reply to the speech from the throne, I must say that I think the standard set by the mover and seconder will be held in high regard in the years to come.

In the course of this debate many members have made most appropriate references to the role of parliament as it exists in the twentieth century and as we move toward the twenty first century. The hon. member for Notre-Dame-de-Grâce (Mr. Allmand) set out a 15-point program dealing with what he thought would speed up and possibly modernize the effectiveness of parliament. The hon. member for Peace River (Mr. Baldwin) in his thoughtful presentation last week outlined his views on committee responsibility and on the role of the private member of parliament and his relationship to the executive.

We have also discussed the use of television both in the house and in committees. Yesterday, I believe, one hon. member suggested that the government might examine the kind of facilities that are available to members of parliament in Canada compared with those available to their counterparts in the United States.

As one who is attending his first parliament I must say that I was somewhat surprised and possibly a little disappointed with the kind of assistance and benefits—I am not talking of financial benefits—afforded to hon. members. Having been elected for the first time a member approaches his new role with a great deal of enthusiasm and, hopefully, energy. Suddenly he finds himself in the position at times of feeling frustrated by his inability not only to do the kind of job he hoped to do but just to carry out those responsibilities which the people who voted for him in his constituency asked him to undertake. There has been a great deal of discussion along this line. My only contribution at this stage is to say that I hope the discussion will continue and that as a result the facilities available, particularly to private members of parliament, the backbenchers, will improve in years to come so that we may do what we were sent here to do by the people who sent us.

• (3:10 p.m.)

I was greatly relieved, Mr. Speaker, as was the mineral industry of Canada, by the announcement the Minister of Finance (Mr. Sharp) made earlier in the session. The concern caused by certain recommendations of the Carter commission on taxation with respect to the mineral industry was such that some believed that this year's exploration program in some parts of the country would be seriously curtailed. I refer to the possibility of changes in the tax structure affecting that industry. The minister's announcement, made without prejudicing the government's final decision, helped to resolve some of the concern felt by the industry. In considering the recommendations to which I have alluded, particularly those dealing with the tax free period, I hope that the government and its advisers will consider carefully any changes

to be made and will make only those changes that benefit the development of this major industry in our country.

Let us look for a moment at what the mineral industry means to Canada. In 1966 the value of mineral production, which amounted to 7.2 per cent of the gross national product, was approximately $4 billion, eight times the 1945 dollar value. This does not include moneys expended on exploration and development, nor goods and services associated with the industry. The industry has been of basic importance in the economic development of Canada, being the second leading industry in terms of dollar earnings. At the same time it is not without serious problems. It has a labour shortage partly because of the nature of the industry and also because of where some mining developments are located. The spectre of the Carter commission hangs over its head. Finally, certain sections of the industry such as gold mining are plagued with special problems of prices and costs. I hope the cost-aid program for the gold mining industry will be continued and possibly expanded. Otherwise a number of communities throughout Canada will be affected seriously.

I heard with a great deal of interest the announcement of the Minister of Indian Affairs and Northern Development (Mr. Laing) in the house regarding the off-reserve Indian housing program which, as has been openly acknowledged, is long overdue. It will assist the Indian residents of Canada to move to areas of economic opportunity away from the traditional reserves. Most important, I believe the program will aid young Indians who wish on completion of their education to work in metropolitan or other areas of Canada and find opportunities to make a decent start in life in the same way as many of us have been helped by our parents to get off the ground.

I asked the minister if a similar program could not apply to the Eskimos. In asking that question I was concerned about the Eskimo people who leave their homes and hunting communities to move to areas of economic opportunity. I think particularly of the Eskimo people working on the Great Slave Lake railway which is operated almost entirely by Eskimo employees. I think also of the Eskimo working in the mines at Yellowknife and Lynn Lake, Manitoba. All these people want to integrate into the community in which they live. Quite apart from the problems of language and culture are the problems of becoming established in a community, and I think that the government and all Canadians have a responsibility to help in the initial process of integration.

In 1963 a number of Eskimo families were moved to Yellowknife to work in the mines. In the four intervening years some have returned to their original homes at Rankin Inlet and Keewatin and others have persevered. Those who have are first class miners who earn bonuses larger than those earned by the majority of their fellow employees. Yet because they have large families they are expected to live in accommodation which, to my way of thinking, is inadequate. What does one say to a man who approaches and says, "I want to stay here in Yellowknife so that my children can go to school, so that they can have the same chance your children have, but I must have a decent place to live in"? If the Minister of Indian Affairs and Northern Development were in the house I would appeal to him to extend his program to people such as I have just described. I also asked the minister if he had any plans regarding the Métis people and I did so recognizing that the government of Canada does not have responsibility for these people. Their education, welfare and economic development are the responsibility of the province in which they live and they are treated as other citizens of that province are treated. I regret that the Métis, who did so much to open up the west and north in early days, have become the forgotten people of our nation and I hope that in our centennial year the government of Canada, in co-operation with the provinces, will put aside political differences, will not ask who will pay for what, but will try to work out a viable, exciting and dynamic solution to help the Métis of Canada to enter the mainstream of the life of our nation in the same way as it will help the Indians and, I hope, the Eskimos in the years to come.

In the first session of this parliament we enacted legislation amending the Northwest Territories Act. Though, as was said, it was housekeeping legislation, it did something that was most important. It extended the franchise, the right to vote, throughout the Northwest Territories. Up to that time people who were living in Keewatin and the eastern Arctic could not vote in territorial elections although they could in federal elections. Since then there have been exciting developments. The franchise has indeed been extended and an election held. Three representatives from the Arctic region sat with the council at the last two sessions, one held at Resolute Bay

and the other in Ottawa. Yellowknife was declared the capital of the Northwest Territories and the governor of the territories was moved from the south, from beneath the umbrella of the federal administration, to the north. At the same time an announcement was made that as a result of the recommendations of the Carrothers commission on government in the Northwest Territories a white paper would be produced setting out, in effect, the government's position with respect to the over-all development of government in the north.

• (3:20 p.m.)

I appeal to the cabinet to ensure that this white paper becomes a centennial project and thus a centennial present to the people of the north to assist them in getting their territorial government on the ground. I hope this white paper will be available not later than the coming fall. I also hope that when the white paper is available and open for discussion the views of northerners are taken into account. I expect they will be. Knowing the manner in which government sometimes tends to operate, however, I think it should be clear that if the views expressed in the white paper do not reflect the views of northerners there might be problems about approving the kind of legislation brought forward to bring government to the north.

In the course of the decision to declare Yellowknife the capital, the town of Fort Smith became concerned, not because it was not to be the capital but with respect to its future. Positive steps have been taken by the territorial government to ensure that this community will continue to grow as a northern settlement. I should like to think that the federal government, recognizing its responsibility because it made the decision, will continue to provide the impetus necessary to assist the town planners in that community to solve the problems they now face. I trust the federal government will make a decision regarding the future of Fort Smith.

I am happy to see the Postmaster General (Mr. Côté) in the house because I wish to pay him a compliment which I hope will result in the continuation of the good work which has been done by the department in the last few months in the north. I refer to the decrease in parcel post rates and air freight rates which has taken place as a result of an evaluation of postal facilities and charges by the department. However, I suggest that the steps the minister has taken are not sufficient. We still suffer from an irregular service and a lack of proper post office facilities in many places. There are even inconsistencies in the new rate structure which has been established. The Postmaster General assured me that he is undertaking a further study of postal services in northern Canada the results of which will be available in the fall.

The Canadian Broadcasting Corporation began television service in Yellowknife on May 14. We now have one station in the north and the corporation is to be commended for its forward approach. We know there is another station planned for the Lynn Lake area and a third for the Seven Islands area. We hope the C.B.C.'s plans to provide television service for the larger communities in the isolated northern areas of our nation by means of a "frontier package" will move ahead quickly. When I realized the cost of setting up one of these small package units and maintaining it for a year I became concerned lest the corporation might not move ahead as quickly as we would like it to do.

In the course of the past month the Department of Manpower and Immigration has opened employment offices in the Northwest Territories. This development will go a long way toward resolving some of the problems connected with local hire with which we in the north are faced. All too often in the past, particularly in connection with construction programs, contractors from the south have brought complete labour forces into the area thus denying the opportunity of employment to our own people. Among the greatest offenders have been oil exploration companies—at great cost to themselves, I may add.

I should like for a moment to examine the government's external aid program in relation to the development program designed to help underdeveloped areas in this country. We know that this year the external aid program will contribute through grants, loans and direct aid approximately $300 million to the development of nations throughout the world. I think this is the least Canada can do. We like to think of ourselves as an affluent nation and if we wish to take our place in the community of nations we must also accept some responsibility. The only complaint with regard to aid being granted outside our borders is that perhaps it is too little.

There is, however, one aspect which bothers me, and I know it bothers many who live in the northern territories. With so many things needing to be done in terms of northern development in order to allow those who

live there, particularly the Eskimos, the Indians and the Métis, to enjoy a reasonable standard of living, the northern development budget could surely be increased by more than 5 per cent a year, the total amount of the increase which took place last year, bearing in mind that the external aid budget has increased by some $50 million a year. Yet in the last four years the budget has doubled from about $16 million a year to $32 million in terms of real federal expenditures, not including provincial expenditures.

• (3:30 p.m.)

The throne speech made reference to a system of industrial incentives to encourage development of regional economic growth and to encourage further development in the north, and it was suggested that by regional economic planning some of these incentives might come into being. What I would like to know, Mr. Speaker, is whether this is to be merely an extension of the many federal programs such as aid to industry, rural development and designated areas, which do not apply north of the sixtieth parallel, or is this something new and exciting that the government is proposing? I sincerely hope it is a combination of both.

There is a tendency on the part of many people to suggest that because the population of the north is small, which we acknowledge, what we as a nation are doing for the north is adequate. Maybe this would be true if we were talking in terms of numbers of people, but I suggest that what we are seeking is not only growth in our population but greater investment in the growth and development of Canada as a whole. We hope that when the time comes that the vast mineral resources of the north are being fully exploited—we see one example in the Pine Point development where as a result of the opening up of this one mine the mineral production of the north tripled in the space of one short year—the north in turn will be able to repay not only the contribution made by the nation to its development but also assist in the growth of the country as a whole. It is on this basis that I draw the comparison between what we are doing in external aid and what I would like to see happen in the northern territories. The programs of government have been good but we have a long way to go.

Housing for our Indian people does not compare with the liberal program that the Department of Indian Affairs and Northern Development introduced for the Eskimo people and yet, Mr. Speaker, I ask what is the advantage of building a home if water, supplies, garbage disposal and electricity are not available or are available only in a pretty primitive way? In the settlement of Inuvik, now the town of Inuvik, a number of local people, Indian, Eskimo, Métis and white, banded together in 1963 to launch a co-operative housing program. Inuvik is a town which was built by the government in the last decade to take account of the need of the government for an administrative centre in the Mackenzie delta. The town was built in two ways. Members of the northern affairs committee who visited it saw how this was done. I refer to the serviced area and the unserviced area. By this I mean that government employees live in modern standard housing serviced by water and sewers through a very practical although expensive utilidor system, which also includes heating arrangements, but the people who come from the Mackenzie delta by and large live in the west end where there are no services other than a primitive trucked water supply and a pretty basic garbage disposal system.

The members of this co-operative, all of whom are fully employed, have been pressing the Department of Indian Affairs and Northern Development for three years in order that at their own expense they too might enjoy the very basic amenity of being able to turn on a tap in their kitchens and have running water. But this year again, and for reasons which I do not know except possibly the old chestnut that it might cost too much, the government has indicated to the local residents, according to an editorial in the Inuvik newspaper, the *Drum*, that possibly next year but not this year something will be made available to the people who live in the co-operative development.

These people want facilities, Mr. Speaker. They are prepared to pay for them. All I suggest is that somehow or other, in co-operation with the federal government in particular and with the territorial government where necessary, some system be worked out to provide basic services to the people who were born and brought up in the north, who are making their whole living in the north and who feel they should have the same opportunities as their white cousins or their cousins who come from the south and who live in modern fully serviced government housing while working for the government.

We can also look across the Arctic to a community called Eskimo Point in Keewatin. A new housing program is intended for that

community this year, but when we ask about water, garbage and sewage services we get the answer that they really are not available. From Eskimo Point it is eight miles to the nearest lake where water is available. In wintertime ice is cut from a lake closer to the settlement. This might not be of much concern except for the fact that over the years this community has suffered a series of medical disasters to the point that in 1963 half of the population was moved to a hospital in the south because of an outbreak of meningitis and tuberculosis.

Mr. P. V. Noble (Grey North): Mr. Speaker, I would like to join all other members of the House of Commons who have offered congratulations to the mover and seconder of the address in reply to the speech from the throne. I admire their worthy contributions.

The speech from the throne was only an exercise in words and it was very disappointing. People across this nation had expectations of a masterpiece on this special occasion that would overshadow any previous effort. During this centennial year, when Canada is receiving unprecedented world recognition, there is a rare opportunity for the government to spread its wings and introduce a program that would stir the heart and soul of every Canadian. Mr. Speaker, the government is negative in regard to that imagination which would visualize Canada's vast potential for her second century. The government's brain trust, with several years at their disposal to prepare another manifesto of action, have come up with another failure.

This is also a time for reflection, and at the beginning of our second century of confederation it is fitting that we pay tribute to those Canadians who have gone before, even to those who laid the foundations of this nation many years before confederation. Many of our forebears came to Canada to escape oppression and injustice, to a land where a new life could be lived in freedom. This was a way of life in which they took great pride and they sought to preserve it at any cost. The fathers of confederation, in their deliberations and when setting up their statutes, made freedom the first principle.

• (3:40 p.m.)

We have fought in two terrible wars involving the supreme sacrifice of thousands of our people in defence of freedom. Canadians are well aware of the price of this God-given right. Surely we cannot continue to stand by and watch it disappear piecemeal by regimentation and legislation. The philosophy of the government is progressively removing the challenge from our way of life. I ask you, Mr. Speaker, how far can we continue on the course charted by this government and have any real freedom left?

I bring to the government's attention those wise and enduring words of Abraham Lincoln when he said:

> You cannot bring about prosperity by discouraging thrift: you cannot strengthen the weak by weakening the strong: you cannot help the wage-earner by pulling down the wagepayer: you cannot further the brotherhood of man by encouraging class hatred. You cannot help the poor by destroying the rich: you cannot keep out of trouble by spending more than you earn. You cannot build character and courage by taking away man's initiative and independence. You cannot help men permanently by doing for them what they could and should do for themselves.

There is at least one cabinet minister who has registered some anxiety about the course of events in this nation. The Minister of Trade and Commerce (Mr. Winters), when speaking to a Toronto Rotary Club a few days ago, said:

> I am a businessman at heart and I believe it is the responsibility of the government to bring revenues and expenditures into balance and provide a balanced budget.

He stated further that the government must encourage exports and in so doing could build a good surplus on its trading account which would help reduce our international account deficit. He contends that most governments spend more than they should. Canadians, he said, are enjoying the second or third highest standard of living in the world, although we are living on borrowed money. The minister insisted that Canada must maintain a climate that is favourable to foreign investment. If we do not, he said, we just do not balance our international books. However, with foreign investment Canada gets a large measure of foreign ownership, which raises questions as to whether she is in danger of losing economic and political sovereignty. The trade minister said his own view is that it is not the fact of foreign ownership that matters but what use is made of the ownership. He also said that more than 99 per cent of the foreign-owned firms in Canada are good corporate citizens from a Canadian point of view. This minister, Mr. Speaker, is a sound businessman and the treasury benches are in short supply of men of his calibre. It must also be evident to the minister that the spiralling tax burden must be brought under control. Our tax bill, compared with that of other democratic countries

such as the United States, Japan and Australia, is already away out of line.

Another cabinet minister, the President of the Privy Council (Mr. Gordon), speaking in London last Friday said that there would be further government intervention in the economy and that a reasonably courageous government will not listen to complaints about high taxes from businessmen and the public at large. The Minister of National Health and Welfare (Mr. MacEachen) on one or more occasions has stated that a man should be guaranteed a livelihood whether or not he wants to work. No wonder we have many people who do not want to work. Such statements indicate that there is an urgent need for good businessmen on the front benches opposite. This government operates the biggest business in the nation; yet from all appearances it has phased out good business principles.

We have now arrived at the position where it takes one third of our gross national product to pay our taxes, and the trend can only continue upward. This fact was borne out on a recent television program when a commentator interviewed the Registrar General (Mr. Turner), a prominent, young minister of the crown. The give-away program he said he would support will make the socialists look like pikers.

This cradle to the grave security will certainly kill initiative and along with all the other lavish spending will eventually bring this nation to the point of no return. There is a faction in the government leaning far to the left. Their statements and actions leave no doubt as to their philosophy. Others are extreme socialists at heart but do not have the intestinal fortitude to be vocal at this time. However, their performance before being elevated to posts of influence leaves no doubt about their philosophy.

The Governor of the Bank of Canada last March expressed his concern over the fact that Canadian costs and prices rose faster last year than productivity and that demands placed on the economy outstripped the economy's ability to produce. Ironically enough, the governor's warning of economic stress and strain coincided with the government's disclosure of its spending program for 1967-68. This was an unprecedented government housekeeping bill for $11½ billion with a good possibility of $250 million to $300 million more to be tacked on before this year is over.

In 1963 the Glassco report called for major cuts in our large and often inefficient civil service. It has become a top-heavy bureaucracy. Instead the government has increased the civil service by 71,445 since October 1, 1964. New departments appear to be the order of the day and indications are that thousands more will join the civil service within the next few months. Mr. Glassco claimed that savings of $500 million could be effected annually if his recommendations to streamline government were implemented. The government has been slow to take action on these recommendations, and 150 of them have not been implemented.

There is a proverb that sums up in a few words this government's position.

> We do not what we ought,
> What we ought not we do,
> And lean upon the thought
> That chance will bring us through.

I am privileged to be a member of the public accounts committee and am deeply concerned and astonished, as the people across this nation must be, at the many items of careless and extravagant spending by the government. The Auditor General has made these revelations to the committee, which in turn submitted strong corrective recommendations. But the reaction of the government has been indifference. Repercussions to the government's actions are beginning to register right across the country. One day last week Premier Bennett of British Columbia said that federal waste, extravagance and patronage are costing the taxpayers hundreds of millions of dollars a year.

This government talks about a better way of life for Canadians. What is being done about it? Every part of the nation is in need of housing. This problem has reached emergency proportions; therefore every obstacle should be removed. Removal of the sales tax from housebuilding materials should take effect at once. Builders should be mobilized in areas where the need is most urgent.

We are worried about our talented young people migrating to the United States. This can be expected, and even more so if they cannot secure the first requirement here at home, namely, a roof over their heads. This raises the matter of immigration. How can we justify enticing more people to our land when housing accommodation is not available? If the government had really taken the welfare of the people of this nation to heart, this centennial year would have been the milestone in our history when all our people were provided with respectable housing. We have

all the elements in human and material resources but the leadership is conspicuous by its absence.

I turn now to another serious problem that involves every citizen of this nation. I refer to safety on our highways. I believe I made the initial approach to the government on this matter by way of a question to the Prime Minister (Mr. Pearson) in 1963. I have continued to request action on the various aspects of the problem by way of questions in every session since that time. On February 2, 1966, I brought to the attention of the house viewpoints on highway safety as expressed by the provincial minister of highways, Chief Justice McRuer, the commissioner of the R.C.M.P., and the chief coroner of metro Toronto.

It has been proven that drunk drivers and air pollution from carbonmonoxide are creating the greatest hazards. My questioning has been concentrated on these two problems because statistics have shown that only one per cent of highway accidents can be attributed to defective automobiles. Other members of the house have joined in the crusade to reduce the tragic death toll on our highways, but the government has declined to take action on one particular matter that would have a telling effect. I refer to making the breathalizer test mandatory. I urged the government to take this action many months ago, and no reason has been given for the delay.

• (3:50 p.m.)

Surely the government does not fear the liquor and beer interests, or are they hesitating hoping that the provinces will take this responsibility? Such legislation has proven useful and successful in New York and other states, so I see no valid reason why it should not be given favourable consideration here.

Over 5,000 people were killed on our highways last year and in over 50 per cent of these fatalities alcohol was involved. There were also 160,000 or more injured, many permanently. Liquor would also account for more than half of these. The law will not tolerate such behaviour on trains, planes or in industry. It is beyond me why the government treats the matter so lightly. Rather, the government is showing great concern for the welfare of criminals when it proposes to bring up the matter of the abolition of capital punishment again. It has ignored the decision already made and wants to have the matter decided again.

[Mr. Noble.]

I am concerned about the problems of the farmers and the need for a constant supply of food to take care of our domestic needs with enough to continue to fulfil our obligations to our customers and other needy people. There is a tremendous migration from rural to urban life, partly due to uneconomic units but chiefly on account of better rewards for an hour of work. Governments cannot continue to ignore the just requests of agriculturalists without jeopardizing our food production.

Next week we will witness a march on parliament hill in protest against a poorly conceived dairy policy. It seems the minister was ill advised and the proposition he put forward brought scorn upon his head. On this occasion the minister might have been in a more favourable position if he had paid attention to the practical information made available to him. I believe it to be the urgent responsibility of the government, especially of the Minister of Agriculture (Mr. Greene), to be on hand to meet the farmers on May 24, a date they have designated well in advance and one that comes at a time when there is a lapse in their seeding activities. I make a strong appeal for favourable consideration of the request that will be made regarding the price of milk. If the farmers were paid on the same basis as industrial workers, even without giving any consideration for their large investment the price of milk would be higher than what they are proposing. These people are essential to the health and welfare of this nation.

This government is so neglectful on many occasions that a crisis develops before any attention is given to the problem. The militia had to be called out in Ireland a few days ago to restore order when the farmers' requests there were ignored. We would not like this to happen in Canada, especially in our centennial year.

Milk producers plan their operations for months in advance and it was folly for the Minister of Agriculture to expect our farmers to accept a drastic change in policy without a protest. The sudden announcement that quotas for manufacturing milk produced in 1967 and 1968 will be based on 1966-67 production means a substantial drop in their incomes and it was especially disappointing to those who had increased their herds. The fluid milk producers felt that a reasonable period of adjustment should have been provided in respect of terminating the federal subsidy. The government is now faced with a disagreeable incident created by their own procrastination and poor judgment.

In conclusion I want to say that I am proud to be a Canadian, as I am sure we all are, and I believe we would all agree we have the best country in the world. We have the potential for a future of fullness and plenty. We are richly endowed with vast renewable natural resources in our agriculture, our fisheries, our forests and our waters. It is our responsiblity to see that these riches are preserved and improved for posterity. We must also rally round those leaders who will preserve the freedom of the individual so that he may be privileged to develop his own life, his own talents and his own self-expression with special privileges to no one.

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, in rising to take part in this debate I pay heartfelt tributes to both the mover and seconder of the address in reply to the speech from the throne. I doubt that anyone reading *Hansard* will fully sense the command of this house obtained by both those able speakers, speaking as I recall without notes but with enthusiasm in developing their thoughts. It is my belief that the mover, with carefully chosen words, expressed what was very much in the hearts of us all.

In referring to the speech delivered by His Excellency on Monday, May 8, I find these words:

> A country is a home; it must be built and furnished for the good life of its people.

His Excellency concluded his memorable address with words of the first Governor General of our country uttered some 100 years ago. He said:

> —a blessing to yourselves and your posterity, and a fresh starting point in the moral, political and material advancement of the people of Canada.

The subject I should like to deal with briefly is penitentiaries and parole. As we start out on a new century I think we would do well to face seriously the problems relating to crime and punishment in Canada. I rejoice in the fact that on January 1, 1966, the government saw fit to make a full department of the office of the Solicitor General and that as a result penitentiaries and parole now fall under the jurisdiction of the new minister and deputy minister. I am also pleased that the Royal Canadian Mounted Police, who have been such an important element as anti-crime experts in maintaining the good life in Canada over the past 100 years and more, now balance the punishment side of the department engaged in incarcerating the offender and assisting him later by way of parole.

The minister who is responsible in this regard I know is determined to play an extremely important role. I have read several speeches delivered by the Solicitor General (Mr. Pennell), some of which have been published, and I find him to be a thoughtful, philosophical and idealistic man who is quietly and very successfully accomplishing reform in this long neglected field.

It is a fact that no one likes to oversee prisons. We all seek to avoid looking at the unpleasant. I happen to know that very few members of this parliament or the parliament which preceded it in the last few years have visited federal penitentiaries. There are some who have made a study of our institutions but by and large even members of parliament, who are their brothers' keepers in this regard, have taken little time out to visit the penitentiaries, save happily for the penitentiary committee. What can be said about members of parliament applies with even more force to society generally.

The Solicitor General is reported in the *Optimist* magazine of June, 1966, as having asked this important question: "What does Canada owe her criminals?" Then he reviews briefly something of the history of punishment in this country. He told us that in the ancient world the generally accepted idea was that a prison was regarded solely as a useful means of safe custody pending trial or punishment. It was not thought to suffice as a form of punishment in itself because in early days death was the penalty provided for most offences. There are records throughout Canada of the harsh penalties that were then imposed.

• (4:00 p.m.)

He writes that when England began at last to move away from the death penalty it moved toward the more humane concepts of banishment and transportation. Finally, imprisonment was accepted as punishment. Incarceration in prison changed, at last, quite naturally toward the present day advocacy that the prison should not function merely as a place of confinement for docile, well disciplined human beings but instead should be a dynamic place, a laboratory in which character disorders and anti-social attitudes are examined under the microscope of modern knowledge, a workshop in which twisted personalities are straightened and disoriented men and women are given some sense of direction.

I was intrigued by the article written by J. Alex Edmison, Q.C., of the national parole board on crime and its treatment in Canada. He writes about the various alternatives to imprisonment which have been fully tested in Canada. These penalties applied in Ontario, Quebec and other parts of our country long before confederation. There was the pillory in which a man was held firmly by the neck and wrists. People could assist in the punishment either by whip or by throwing something at the man. The pillory was abolished in Canada by statute in 1842. The stocks were used in upper Canada in 1804. William Lyon Mackenzie, carrying out his duties as first mayor of Toronto, presided over magistrate's court in 1834 and required a man to suffer this ignominious treatment. It was abandoned in England in 1872. Branding was a very common punishment. In 1798 the Chief Justice of Upper Canada had criminals branded in open court. The practice was abolished in 1802, except for manslaughter. Banishment, of course, was a common punishment, and so was transportation.

I mention these specific punishments because when we look back over the short period of a century it is clear that the penitentiary has been a rather late sociological device to punish and reform the prisoner. I think that by now we have had sufficient time to make certain deliberate estimates of the efficacy of this form of punishment. Inherent in everything I say must be the question: Why do we punish at all? What is the philosophic or moral reason for the punishment of a person who has breached a code which we call the Criminal Code? I suppose of the traditional explanations, one is based on retribution or revenge, another on deterrence and still another on the rehabilitation factor and together the protection of society at large.

But it would be well for us, as modern people with modern problems and a new sense of total responsibility for the ills of our society, to consider the total cost of the program, the penitentiary approach to punishment. It might surprise Canadians to know that the cost of a cell in a maximum security institution is now between $20,000 and $25,000. The cost per year for an inmate in a maximum security institution today is approximately $3,650, or $10 a day, which is not really an unusual price for a hotel room. In the case of an inmate with a wife and dependent children the total cost to Canada, to the province and to the municipality can often reach the annual figure of $10,000. The desirable size of a penitentiary does not exceed 450 inmates and any institution of that size now costs approximately $10 million. But by way of dramatic contrast I would invite Canadians to note the fact that the cost of a paroled prisoner is approximately $250 per year. Perhaps it is my highland background, but something in all these figures worries me a great deal. Imprisonment is costly.

A few days ago I spoke to the John Howard Society in Fredericton. My remarks were reported in the *Daily Gleaner* under the headline "Men Want to be Forgiven". This brought a few letters which I read with some interest. In one letter was an editorial from the *Gleaner* of April 24, 1967, titled "Kindness To Criminals", the final paragraph of which reads as follows:

> We believe that criminals should bear the stigma for their crimes, and that this is not only a part of their punishment but a part of the protection of the innocent.

I quite understand how it is that an editorial writer who is on the outside and knows something about the statistics of crime in North America, particularly in the United States, or the crime statistics in Great Britain, could come to the conclusion that harshness presents some sort of solution. But the real fact is that our prisons are not succeeding. The recidivist rate, that is, the rate at which persons go to penitentiary after having been in prison before, remains constant at approximately 80 per cent. On the other hand, the parole failure rate in Canada stands constant at the figure of 10 per cent.

I believe that through the efforts of the Solicitor General and the type of program that is at last being implemented we are seeking to close this gap. We hope to drop the parole success rate of 90 per cent and thereby substantially reduce the recidivist rate and thus sharply reduce the cost to the taxpayer. However, my argument is based not on vulgar economics, important as they may be, but on something which I think is very much more important than economy, namely, rehabilitation. After we have examined these figures carefully we must come to the conclusion that locking people up does not solve very much.

I was interested in the report appearing in the Ottawa *Citizen* today of the address John Braithwaite, our expert on corrections, gave to the annual meeting of the Elizabeth Fry Society of Ottawa last evening. He made the point that the basic danger is that the offender is psychologically cut off from society. He

pointed out that throughout the world there is growing criticism of and inquiry into the traditional methods of reform. Exactly the same kind of inquiry is proceeding presently in the office of the Solicitor General. He speaks about the trend toward increasing community involvement. He mentions certain organizations, societies and groups that must become involved in rehabilitation. I could not agree more, Mr. Speaker.

• (4:10 p.m.)

Throughout Canada and the United States and particularly in northwestern Europe studies and experiments have been conducted on the subject of rehabilitation. You even find this same spirit of reform, the trend toward rehabilitation and the tendency to the people out of institutions just as rapidly as possible, in the far east. I think it was Winston Churchill who said more eloquently than I could, that you assess and judge a society by the manner in which that society cares for those people who are held in custody.

I was delighted by the scholarly and wise address given on civil liberties by my colleague the hon. member for Rosedale (Mr. Macdonald). It seems to me that crime and punishment is closely related to the attitude we entertain toward civil liberties. I believe when we look at the special problems of the offender we would be wise to make comparisons with other exceptional or different people in the community.

I admire, sir, the work that is done in the town of Smiths Falls where there is a hospital carrying the considerable burden of the care of retarded children for the province of Ontario. The magazine, "Canada's Mental Health", had a special issue in November on mental retardation. In it I find an article by an old friend. Dr. H. F. Frank, a psychiatrist who has devoted himself to the care of the retarded. Speaking of the disability of mental retardation, Dr. Frank said:

> The idea that a child who cannot come up to average community requirements should be "put away" in an institution, dies very hard ... We are just beginning to learn that a large number of exceptional children must be integrated into every day community life and helped to achieve the best of their ability ... Working an ill adapted child into society cannot be achieved only through institutionalization ... the community has to realize that a large number of children should continue to live in the community where their educational, recreational and other needs must be met.

Anyone who goes to Smiths Falls and sees what has been done in that institution for thousands of unfortunate exceptional little people, some of whom stay there for many years and become exceptional older people, will appreciate that it is not possible for us to send all our troubles to one community and hope that that community, with all the medical skills it may possess, the devotion, the care and concern and loving attention, can right these wrongs. I would urge, with John Braithwaite, that the time has come in Canada when there must be a much larger element of total involvement in problems of problem people—both patients and prisoners. Years ago Eugene Debs said, "While there is a soul in prison I am not free."

The fact is that many of the best people in our Canadian society do not care about this prisoner problem, do not know anything about the problem and never have become involved. We have, therefore, the extraordinary situation of recidivism staying at the high figure of 80 per cent and parole staying at the low rate of 10 per cent. Society tries to protect itself against these evil and different people getting out and being rehabilitated simply because as a society we are not prepared to share the burdens, the risks and the responsibility of making rehabilitation work. We take a false pride in our low rate of parole failure. Someone has suggested the analogy of a baseball player with an exceptionally high batting average being kept out of the game and on the bench to maintain his high batting average.

We are proud of our parole service. We are proud of our penitentiary service. Of course, both of these could be better than they are just as anything we do could be better. I feel we have come to the point where collectively we must take the risk and share in the responsibility of a much higher parole failure rate in the hope that we substantially reduce the recidivist rate. Although it may not be obvious to everybody this is what the Solicitor General has begun to do. During the few months in which he has held this portfolio he has already managed to accomplish a great deal. It may not be known, but he has already caused a larger number of people to be paroled. Although it is difficult to obtain these highly qualified people, he has taken on more parole officers. These are specialized social workers.

The fact is that the increased number of paroles has not resulted in any marked increase in the failure rate. In spite of our sharply increased population and particularly juvenile population, the number of inmates in federal institutions has declined this year by

approximately 500. I should like to see an even sharper decline. This has been accomplished by a process of segregation, determining whether a person must be cared for custodially or in some rehabilitation centre.

We must acknowledge there are some people who are not likely to be redeemed. However, I believe many more can be rehabilitated than has been achieved in the past. Last week I spent some hours with the warden of Joyceville. We had a long talk about the successes and failures of that institution. He speaks with a background of 25 years experience and a recollection of the various things that have been done during his service to improve vitally the facilities for effecting reform. He told me how much the penitentiary officers care about their work. Basically the thing that counts is personal involvement. He referred to his wife Stella. He said that Stella had no particular training in penology and had never taken a course in psychology. He mentioned the number of people in the institution whom Stella had befriended, in some cases elderly men committed to a life of crime, a life of failure. She had brought them into her home. She had trusted them and reached out to them. This made all the difference. The victories were personal victories.

There is only one way to redeem people, I believe, and that is by recognizing the person as an individual. One of the letters I received from Fredericton tells me what is really needed is hope. This person writes that the prisoner has lost hope, a lot of people have lost hope and find it hard, if not impossible, to get it back. According to the ancient legend, Mr. Speaker, Pandora was a woman whose curiosity caused her to slip off the cover of the jar containing a multitude of plagues for hapless man, namely, gout, rheumatism, colic, envy, spite and revenge and many other ills. Pandora hastened to replace the lid but all these evils had escaped and were scattered far and wide. Only one thing remained at the bottom of the jar—hope. So to this way, whatever mischief is abroad, while we have hope we are not entirely wretched. Some men in our institutions have lives which have been confounded by illness, hatred, mischief and malice. If we seek to build the good society we must build on individual lives and on the only foundation of character that remains —hope.

• (4:20 p.m.)

Our neighbour to the south has started to show the way. The United States federal department of justice was permitted as of 1965 to release incarcerated offenders to work in the community and return to custody at night. This many sound revolutionary to Canadians, Mr. Speaker, but other countries do likewise. As of now over 2,000 persons have been involved in this United States program. Their gross earnings are in excess of $2,147,-000. Of this sum, $203,000 went to pay their room and board at the penitentiary $303,000 was paid by way of various state and federal taxes, and what was left over went to support the inmates' families or to await and to hasten their day of release.

Not many weeks ago, Mr. Speaker, I was in a penitentiary at Taipei which housed over 2,000 men and women. Bear in mind that our institutions house approximately 450 inmates. This institution was built at very low cost in our terms, something like a quarter of a million dollars in American money. It had no armed guards. I was in a concert hall with over 500 prisoners present listening to a 15-piece orchestra with one custodial officer in attendance unarmed. There were many women prisoners. The social conditions of the country were such that these women prisoners, who were mainly narcotic addicts, were compelled to bring their children to the penitentiary to reside with them.

Does this sound shocking, Mr. Speaker? In fact it was not because that excellent penitentiary had gardens and play yards and attractive facilities. The inmates of the prison were working on embroidery, making rattan furniture, sculpting and doing many other things for gain. Everyone in the institution was being paid. Some of the prisoners were receiving psychiatric care. The time within which prisoners were released was dependent in part on the money that they had earned and their attitude of mind as they prepared to go out to meet society.

I believe that incarceration is sometimes good. I have before me a letter from a minimum security institution written by a once successful professional man who did an evil thing. In this letter to me he says:

> It is a strange thing to say, but I am happy that I have spent this time in prison. I have rediscovered myself, my family and life.

His wife, Grace, has written a very touching letter, much of which tells how this experience of humiliation and separation has redeemed their life together and given the family new hope. Although much has been destroyed, on the basis of this hope much can be rebuilt.

I think that as we desire and search as a people for a better country and the good society, we all must become deeply involved. Industry has not cared nearly enough about the penitentiary services of Canada. In some respects it has impeded progress. Organized labour has not cared nearly enough about our penitentiary services, and in some respects has impeded the rehabilitation and restoration to society of people who have offended. Our service clubs should be challenged to participate fully in this program, just as industry and labour should become a mighty industrial partnership to ensure that something better is provided.

I would leave with the house some of the thoughts of George Scott, a psychiatrist in the Kingston complex. He envisions a community which he calls "reward city" where people are moved progressively from maximum to medium to minimum security, until finally we have the open community where people work hard and live under free conditions and with good pay, developing their skills and attitudes of self-care and responsibility. Perhaps industries will compete one with another to establish plants in such rehabilitive communities.

The Acting Speaker (Mr. Richard): Order. I regret to advise the hon. member that his time has expired.

Mr. Mac T. McCutcheon (Lambton-Kent): In taking part in the debate on the speech from the throne, Mr. Speaker, my first words, of course, must be of commendation of the high quality of debate in this chamber during the last few days. I would be remiss if I did not comment on the efforts of the hon. members for Burin-Burgeo (Mr. Jamieson) and Nicolet-Yamaska (Mr. Côté) who started the debate.

Many interesting subjects have been covered but probably more time has been devoted to a discussion of constitutional matters and the streamlining of the procedures of this house than to any other subject. For my part I do not feel qualified to discuss either of these subjects, though I am quite sure that lack of qualifications and knowledge of a subject does not always rule out participation.

Reference was made in the throne speech to housing. I listened with intense interest to the remarks of the minister who is in charge of housing when he spoke in this chamber last week. I was particularly concerned to see whether there was to be a change in government policy toward alleviating what has been referred to in the house as the crisis in housing. Apparently not, though the minister did state in reply to the hon. member for Gaspé (Mr. Keays) on orders of the day on Friday that his remarks contained very interesting material.

While I have the greatest personal admiration and respect for the minister, I cannot agree that there was much in his remarks to lend hope to the many people who are alarmed at the housing situation. Really what the minister said in essence was: "Everything will be O.K., everything will work out, if we just let the money lenders get more out of mortgages."

An increase in the mortgage interest rate may be essential, Mr. Speaker, but it is not the whole answer to the housing crisis. I feel sure that the minister realizes this as well as the other members of the house. The minister referred to his meetings across Canada this winter and reported on some of his findings in these words, which are to be found on page 93 of *Hansard* for May 11:

> —the greater part of the criticisms was not directed toward what the federal government was attempting to do and was doing in this field.

The minister admits that criticism exists but he sidesteps responsibility, saying in effect that other levels of government are to blame. Nobody likes to take the blame, and it is very comforting to attempt to place blame somewhere else. However I suggest it is up to us all in the federal government to provide more leadership in the matter, and we should be more actively engaged in efforts to lower the price of houses and of mortgage money —both equally essential. There ought to be more money at lower rates.

• (4:30 p.m.)

Were the minister in the house I would suggest to him that merely to sidestep the responsibility, as he appears to be doing is not the answer. We ought to be conducting research into streamlining building procedures—and when I talk of building procedures I refer to all phases of the industry, ranging from financing into research into new materials.

The minister also said that we have maintained a good average of housing starts and completions over a period of years, and this I do not deny. It is easy for one to rise in his place and be critical, just for the sake of being critical, but that is not my intention. I hope to be constructively critical, and I hope to draw attention to the inadequacy of the

housing starts. I want to make certain suggestions, which I think are important for lowering the cost of housing.

A review of what has recently taken place in the housing industry might be helpful to understanding the problem better. This, briefly, is what happened last year and the year before that. In 1966 there were 134,474 starts, while in 1965 there were 162,192. In April the minister suggested in parliament that with an increased flow of mortgage money 155,000 starts might be made this year. He revised that figure in May and suggested that 160,000 houses would probably be started. Even that figure is 10,000 units short of the requirements as submitted by the Economic Council, which asks for 170,000 new housing starts for each year of this decade, and up to 200,000 yearly starts in the next decade.

Many things happened in 1966 to depress the building business, and here I wish to quote further statistics. Private lenders reduced mortgage loans. For example the trust companies reduced their loans by 48 per cent, the insurance companies by 31 per cent. The loan companies were down by 32 per cent. All lending was reduced from $2.5 billion to $1.6 billion, a reduction of $.9 billion. In an effort to alleviate the situation C.M.H.C. advances, taken from the consolidated revenue fund, were increased from $3.25 billion to $4 billion. This increased lending did not inject as much into the housing industry as was necessary. C.M.H.C. gave direct loans on 35,567 units; the private sector of the house building industry must have accounted therefore for 98,807 out of the 134,474 units started.

The life companies, on a dollarwise basis, disbursed more money in 1966 than in 1965, despite a marked decline for these companies in mortgage payments. Dollarwise and volumewise their business was up, but on a per unit basis it was down, serving to show how costs have accelerated. For example, in 1962, we see that 3.4 per cent of National Housing Act homes cost over $20,000; in 1966, the figures show that 27.5 per cent of National Housing Act homes cost over $20,000. I shall say more about that later, but at the moment I am particularly interested—

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

Mr. McCutcheon: If it is a reasonable question. If I can answer it; I shall try to.

Mr. Lind: How many homes were built in 1962?

[Mr. McCutcheon.]

Mr. McCutcheon: That is a very interesting question and I shall take it as notice.

Some hon. Members: Oh, oh.

An hon. Member: Also, it is irrelevant.

Mr. McCutcheon: Yes. It is also irrelevant, as my colleague says.

As I was saying—and I expect the hon. member for Middlesex East knows about as much about housing costs as I know—costs for housing in 1966 increased at a greater rate than incomes and wages increased—taking into account even the Pearson 30 per cent formula for wage settlements. Here we see history repeating itself. In 1956-57 when costs advanced more quickly than incomes, we had a similar situation. In the year 1956-57 as in 1966-67 a Liberal government was in power, and I doubt whether these similar situations occurred through coincidence. It seems to me that here emphasis has again been put on the wrong priorities and no regard has been paid to the pocketbook of the little fellow who desperately needs a house.

In 1966 construction costs per square foot for bungalows averaged $12.56. The increase over the year 1965 was from 8.1 per cent to 12.4 per cent, depending on location, and this compares—to answer my hon. friend's question indirectly—with an average annual increase of 1.4 per cent only for the ten years 1956 to 1966. Just think of it—costs rose in one year by as much as they had risen in the previous six years. In all fairness these increased costs cannot all be blamed on the government; nevertheless because of its lack of enlightened planning it has contributed toward this increase. Almost everything that has been done in housing has been done to take the easy way out.

I talked before of the increased C.M.H.C. ceiling, and I must mention in fairness that legislation was brought in last year providing for national housing money for older homes. The government also changed the ratio for calculating rental housing loans to 90 per cent of lending value from 85 per cent of lending value. This is not enough, certainly, "to excite the daring". A borrower needs 5 per cent less down payment, but the price of the house has increased by 8.1 per cent. That is not much of a gain, and the poor borrower is obligated for a bigger mortgage, and probably for a longer period.

I shall now speak of what the government did not do. It did not call more than just the organizational meeting of the committee of

this house on housing. There was one meeting, after which the committee was promptly disbanded because the government had not sent it a single thing to do.

• (4:40 p.m.)

Now a few words on the subject of the cost of money. The extent to which money and the cost of money affect the cost of residential accommodation is not often realized. Virtually all single family dwellings and apartment buildings in our metropolitan area, and indeed in every area are mortgaged in value to an extent ranging from 70 to 85 per cent. For every $10,000 of mortgage amortized over 30 years at the National Housing Act rate of 7¼ per cent, the debtor pays back $24,300. In other words, he pays back almost two and a half times as much in total as the original debt. While there has been a great deal said in the past six months about how tight money is and how more money should be made available, there is not enough being said about the cost of this money and its effect on the cost of residential accommodation.

A loan of $10,000 amortized at 7¼ per cent over 30 years carries exactly the same debt service as $11,100 over the same period amortized at 6¼ per cent. In other words, the one per cent increase in interest costs has had the same effect as an increase in building costs of 11 per cent. We must bear in mind that buildings available be for rent or sale today were, for the most part, mortgaged prior to the time of these higher interest rates, enabling us to say that the present cost of housing accommodation does not yet reflect the higher cost of money which has occurred within the past year. This added cost must be borne by the renting or buying public in the months ahead, and must of course support the proposition that costs have not yet reached a peak but will continue to rise due to this pressure.

The federal government, I believe, can assist the mortgage market to a very marked degree. The present policy of Central Mortgage and Housing Corporation is to tie the National Housing Act rate to the long term yield of Dominion of Canada bonds. To the extent that this policy, recently adopted, induces a greater flow of mortgage money to the residential mortgage market, it is a good policy. I cannot, however, accept the principle that a 1½ per cent differential between the National Housing Act rate and Dominion of Canada bonds is reasonable, bearing in mind that the security of both is identical. The major difference between a government-guaranteed National Housing Act mortgage and a Dominion of Canada bond lies in the liquidity of the investment and in its cost of administration. I believe that the federal government can, through C.M.H.C. or its subsidiary, incorporate and operate a mortgage bank for the trading of mortgages. While it may be too much to expect that the future will see a National Housing Act mortgage being traded over the counter with the same kind of movement and price that exists today with a Dominion of Canada bond, I believe that substantial narrowing of this differential can be obtained with reasonable market conditions.

If trading in mortgage money were to operate on almost an over-the-counter basis, as is the case with the bonds, the construction industry could plan for much longer periods at a time. This would mean a great improvement in efficiency as well as lower money costs and I firmly believe this is one way—indeed, it may be the only way—in which we can make the best of a bad situation. The construction industry admits to its own inefficiency of operation in many instances; but while admitting that improvements could be made, it quickly points out that the present method of financing each year's operation after a mad scramble each spring for funds is one of the main causes of present difficulties. Those directly concerned do not know whether they have enough money to operate for a year, so their employees are faced with lay-offs. And they do not know how much work will be available next year.

The government tried the $500 winter incentive plan, which obviously failed to work. I think the answer to improved efficiency in the construction industry, hopefully with lower costs, will be found by making a regular, planned flow of mortgage money available and allotting it over a longer period than is now the case, when only a season to season supply or forecast is available.

This may be the case—if the government does not decide in its wisdom on a tight money supply for next year or the latter part of the present year. There are many "ifs". I maintain that planning in all its phases, including financing, should be on a two to five year basis. Housing should not bear the brunt of any artificial tinkering with a supply of funds for the industry. House mortgage funds should not be used to dampen a business cycle or to accelerate one. There should be a steady flow based only on demand.

Regardless of any so-called lack of criticism of the federal government as reported by the

minister, only the federal government has the facilities to be able to envision a nationwide situation. Provinces and municipalities just cannot have this type of over-all perception.

In my opinion we missed a golden opportunity to rationalize our house building requirements when in our haste to implement the Canada Pension Plan we let the funding of the plan slip through our fingers, as it were, and allowed the provinces first claim on the assets.

This fund, which we are aware is only short lived, could have provided the massive injection our housing industry required on a temporary basis, that is to say, until we got caught up. Then in an orderly fashion the mortgage bank concept could have taken over. What a tremendous incentive it would be. How in keeping with a security program, that the funds collected under the pension plan could be used to provide homes for the population—the same homes, in many cases, which would shelter pensioners in their old age.

Another area of great concern is the tremendous cost of legal fees in connection with almost every house or property transaction. Time is money, and too often there are almost interminable delays in conveyancing. Naturally, delays can be very expensive. I do not think we can afford this luxury much longer and unless some streamlining can be achieved the system of land titles will have to be overhauled.

I think the provision of title insurance should be examined to see whether reasonable reductions in cost could be obtained by this method. The lawyer members of this chamber may not agree.

• (4:50 p.m.)

It is my opinion that lot sizes can and should be reduced. Through arbitrarily fixing minimum standards for lot sizes, in Canada we have added miles and miles of sewers, pavements and other services, so much so that our municipalities cannot stand the costs of servicing land for development. It does not matter who was responsible for these things in the first place. It seems to me that now each government level says, "This is not our department. We cannot do anything about it." Surely it is time we quit passing the buck. We are all in this mess together, all levels of government, and the thing to do is to pull together to get us out of it.

I suggest that it is just as important, yes more important, to Canadians to have the price of housing lowered as it is to have the moneylenders back in the business at a very high rate of interest. With this in mind I suggest to the Minister of Finance (Mr. Sharp)—and possibly since he is not in the chamber now the Minister of Justice (Mr. Trudeau) will convey the message to him —that he should have another look at the tax on building materials.

Much has been heard about removing this tax. I am not suggesting that. I am suggesting something else, a relocation of it. I presume that the government will find it necessary to continue collecting this tax. You do not forget $180 million just overnight, but I submit to the minister that this tax should apply at the retail level rather than at the manufacturer's level. Why should Canadians have to pay a percentage profit markup on a federal tax at every level of business—first the jobber, then the wholesaler, then the retailer? This tax by the time it hits the consumer has been marked up at least 50 per cent, and then in most of the provinces we add on a sales tax.

I would suggest that the Minister of Finance give some thought to relocating this tax. I think he could automatically reduce it by 50 per cent and the government would not be out anything, but it would be very helpful towards lowering the price of housing. In summary, Mr. Speaker, if the relocation and reduction of the tax were accomplished, if the construction industry could be encouraged to improve efficiency by a few percentage points through long range government planning, with a reduction in mortgage rates obtained—and believe me, Mr. Speaker, all these things are possible—then a 10 per cent reduction in housing costs would be quite possible and no better project could be envisaged for this the centennial parliament.

Mr. A. M. A. McLean (Charlotte): Mr. Speaker, along with my colleagues, and other hon. members, I wish to congratulate the mover and the seconder of the address in reply to the speech from the throne. Their speeches were not only a credit to themselves but a credit to Canada.

As a backbencher I have many grievances and frustrations but I am not going to dwell on them today. I am going to speak on something that I think is very important not only to Canada but to the entire world. On reading the speech from the throne, which I was not privileged to hear, I was struck by this one paragraph that deals with natural resources:

The great natural resources that we take into our second century will be vital to us in meeting

our needs and in maintaining our position as a major world trader. Measures will be introduced by the government at the present session arising out of the need to conserve and preserve the great wealth with which Canada has been so richly endowed.

Now Mr. Speaker, I thoroughly agree with the foregoing. Canada to my mind is not only one of the richest but the richest country in the world, richest in resources and in her people. But I notice one great natural resource with which Canada is endowed from coast to coast but which apparently is being neglected. As Canadians we are adopting an attitude toward this resource which not only will affect Canada greatly in the future but will affect the entire world. The resource to which I refer is gold.

Since before history was written gold has played a great part in the development of mankind, not only in the monetary field but in the fields of the arts and industry. We know that the people of Mesopotamia were working in gold more than 5,000 years ago. Their gold vases have been unearthed in Iraq, dating back to 3,500 B.C. Their workmanship showed that these goldsmiths knew the skills of working and shaping the precious metal.

At one time gold was Canada's foremost metal and brought in more money to Canada than any other metal. It is still greatly used as a commodity in the arts and in industry, and was the backbone of our monetary system up until a few years ago. I am not speaking of gold as one interested especially in gold mines but as one who has been in world trade for the last 45 years. The companies with which I have been associated were generally doing business with more countries than are at present exhibiting at Expo '67. I have found out that when tariffs were raised, when quotas were put into effect and other obstacles raised to world trade it was the lack of gold, or its equivalent, which was the cause.

Before the first world war Britain acted as the world's banker and all settlements of world trade were made in London. Britain was a free trade nation. She had currencies of all nations generally surplus to her own requirements, and it needed very little gold to resolve any balance of payments. The surpluses which Britain did not require were invested in other countries. No one at that time gave much thought to central banks or central bank reserves, as we did not seem to have any balance of payments problems. World trade kept moving along on an even keel, and increasing.

However, after the first world war Britain had lost at least $50 billion in her overseas investments and she could no longer act as banker to the world. As the United States was then the most financially powerful nation, she inherited the role that Britain had played for over 100 years. But the United States was a high tariff country and would not receive the products of other nations as payment for their debts. Consequently, the United States gradually stripped the world of gold and the nations of the world were forced off the gold standard. The various countries of the world had no common denominator on which to base their currencies, and so there was chaos in world trade. This caused a falling of prices and brought on world depression.

In 1934 the late President Roosevelt raised the price of gold from $20.63 per ounce to $35 per ounce, and in the legislation there was permission for a further raise to $50 per ounce, but this legislation was allowed to lapse in the United States as it had a time limit. The world then had in the American dollar a common denominator on which to base its currencies. There was an immediate increase in world trade, profitable prices were restored and we saw the lifting of the depression that had held the world in its grip for many years.

The rise in the price of gold not only revived Canada's gold mines but created many new ones, and gold became our foremost earning metal. It brought into circulation an enormous amount of gold which various peoples of the world had been holding because they distrusted the paper currencies of the world, thus making world reserves at that time adequate for the world trade that was carried on.

• (5:00 p.m.)

In 1945 the United States, along with the United Kingdom, was anxious to get a multilateral agreement with reference to monetary affairs. The result was the Bretton Woods agreement and the establishment of the international monetary fund, to which all nations joining contributed a definite amount of their currency backed by a 25 per cent gold deposit, and obtained certain drawing rights on the fund's balances. The United States agreed to buy and sell gold at $35 per ounce, and every nation signing the agreement agreed not to pay more than $35 per ounce for gold even if it was mined in their own countries.

Canada was the third largest gold producer in the world, and according to the Governor of the Bank of Canada and also the chairman

of the Federal Reserve Bank in the United States, gold is a monetary measure. Then if we agreed to a fixed price, we sold our sovereignty; not internally, because gold does not affect the issue of currency in Canada, but it does radically affect the settlement of external balances.

If gold is a monetary measure, as the Governor of the Bank of Canada states, it should have the same purchasing power in 1967 as it had in 1945. But it is agreed by all economists that the purchasing power of the American dollar is down to 44 cents. Then the gold dollar should shrink to 44 cents in gold content. But I am also advised by no less an authority than the Governor of the Bank of Canada that gold is a commodity. If we are in a free enterprise country, the price of no commodity should be fixed in Canada by a foreign country.

The $35 per ounce for gold that is being paid by the United States today is not sacred. When the United States treasury pledged that the price of gold would not be raised by the United States, they were not speaking for the United States alone but for the entire world, and they were saying something that was just impossible. The price of gold is a world problem, not a United States problem. At the present time, with the American dollar depreciated to 44 cents, we are asking our gold mines to accept $15 or $16 per ounce for gold. This is an impossible situation.

If it was my voice alone that was raised you might ask: What does he know about the world financial situation? But I would repeat the words of Sir Roy Harrod, the economist who was consulted at the time the International Monetary Fund was formed, who advocates the doubling of the price of gold as a preliminary to the reorganization of the International Monetary Fund and the establishment of a new unit for world settlement—just as a preliminary. He states:

> I regard gold as a sheet anchor of liberty—so it has been for many hundreds of years of civilization.

This is not only the opinion of Sir Roy Harrod; it is also the opinion of another noted economist, Sir Ralph Hawtrey, who stated that "gold is an anonymous asset." It is also the opinion of Jacques Rueff, a French economist. Sir Roy Harrod states that the International Monetary Fund should be reorganized with greater flexibility. Under present conditions certain nations have their currencies designated as reserve currencies, that is, the pound and the dollar which are supposed to be on an equal basis with gold. These currencies are not sufficient for the reserves needed to keep world trade flowing smoothly and increasing. At the present time, although the United Kingdom quota to the International Monetary Fund is $2,450 million, the United Kingdom has borrowed through drawing rights $2,410.6 million. The United States gold quota to the fund is $1,290 million, and the United States has borrowed in gold from the fund $905.2 million. So it is quite apparent that the nations whose reserve currencies are supposed to finance world trade are the principal borrowers from the International Monetary Fund.

We certainly need a new international unit of settlement to help finance our world trade, for when the United Kingdom and the United States try to resolve their balance of payments problems by withdrawing pounds and dollars from circulation, they are simply drawing the sinews of world trade that are supposed to be financing it. All this is related to the position of gold, and gold is certainly one of our great natural resources in this country, which commodity the two eminent economists I have mentioned state should be doubled in price before creating a new international unit of settlement.

The First National Bank of New York, which is quite well known, especially to those of us who were members of the finance committee, states in its May magazine issue:

> Lifting the gold reserve requirement for domestic note circulation does not mean that the United States could dispense with gold internationally. Even with all its productive capacity to give real value to money, the United States, as an international banker, requires a strong gold reserve. Foreign governments and central banks holding large dollar deposits and other short term assets in the United States, are fully aware of the intrinsic strength of the U.S. economy as well as of the fact that the dollar has, throughout the years, lost less of its purchasing power than any other major currency. Nevertheless, they expect us to maintain a suitable gold stock to provide what in their eyes is an assurance that the dollar will remain at all times a reliable and freely usable currency.

Yet people all over the world are holding billions of dollars of gold which they consider to be worth more than what the United States is paying for gold at the present time. If the price of gold was raised to what it should be, the United States would have no balance of payments problems; there would be free movement of capital around the world and there would be no inflation because other currencies would be adjusted to the gold

price, the same as in 1934. There would be plenty of liquidity, which is needed to finance world trade.

I am not interested in gold mines, as I stated before, but the very life of the companies with which I have been associated practically all my life depends on world trade. World trade in 1947 amounted to $48,549 million. In 1965—world trade amounted to $164,700 million. The reserves and liquidity that were adequate in 1947 are certainly not adequate today. Last year, with $2 billion worth of gold mined and put into circulation, not one dollar went into the central banks to finance world trade—it simply disappeared. The previous year, of the nearly $2 billion worth of gold that was mined, only $250 million got into the central banks. So no matter what the bankers think or say, the people of the world think that gold is the backbone of the financial system and a store of value. We have that opinion confirmed by the First National City Bank of New York.

Canada is one of the nations among the so-called Big Ten who are supposed to bring forth a realistic policy to solve the present monetary situation so that world trade can move smoothly, and increase. But I have watched the press in vain for the voice of Canada in relation to an increase in the price of gold, which to my mind and that of many world economists would be the first, preliminary step in solving our present international financial situation. I might say that the United States seems to have a closed mind on Viet Nam and a closed mind on the gold situation, for I addressed a letter to the *Christian Science Monitor,* which they refused to print, and I also addressed a letter to the New York *Times* which they refused to print, simply because they said their government would not agree with the policy.

Mr. Herridge: Democracy.

Mr. McLean (Charlotte): Surely, Mr. Speaker, Canada's gold, as a great natural resource, should be given priority in any exploitation of our natural resources. The feeble excuse that a rise in the price of gold would benefit only Russia and South Africa is certainly not valid, for the western world produces three times as much gold as Russia, and if there were any benefit to accrue, three times as much benefit would accrue to the western world as would accrue to Russia.

• (5:10 p.m.)

If Russia were given increased purchasing power she would buy a great deal more of our products, and this fact is evidenced by the wheat purchase paid for in gold. Russia is not bound by the international monetary fund and she is allowed to put any value she wants on the gold produced in Russia. She can put a price of $35 an ounce or $75 an ounce and still put it into international currency. In this way Russia would have this extra purchasing power and this would be of great benefit to our industries in the western world.

South Africa in the same way could use her extra purchasing power to diversify her economy and would then be buying machinery of all kinds from the western world. Her Bantu population, which now has the highest standard of living in Africa, would certainly benefit through increased wages from a rise in the price of gold.

So, as one of the Big Ten let Canada's voice be raised loud and strong in the financial councils of the world for a doubling of the price of gold, not selfishly for the benefit of Canada, but for the benefit of all mankind.

Mr. Robert C. Coates (Cumberland): In entering this debate on the throne speech I must first of all say there is little in it to give Canadians the kind of confidence one would hope would be installed in their minds as we enter upon the second century of nationhood. I had hoped this speech would be inspirational, and one which historians could look back upon as an indication that Canada entered its second hundred years with inspiration for the continuing development of a better nation. I had hoped the speech would be one that would always be remembered by Canadians as the great turning point of this nation's history in the development of unity and purpose. Instead it reminded me of what a housewife might prepare for a light supper, much like what we in Nova Scotia have always called plain simple hash.

Everything in this speech has been talked about, dropped and then revived. It could almost be referred to as garbage except for those few things which will probably be of some benefit to someone. It certainly contains nothing inspirational. I am afraid that Canada will end up her first hundred years in the red, just as we have ended up consistently at the end of each year for the past ten years. The total sum of Canada's deficit from the fiscal year 1957-58 to 1966-67 amounted to $3,908 million. We are no longer spending our own

money, we are spending our children's money. I have one little boy who will soon be 12 and a little girl who will soon be 10, and in my opinion we in this parliament are doing a mighty poor job as administrators and guardians on their behalf. By the look of the estimates for the coming year we will probably end up with another deficit for 1967-68, and will have to tax the people to a greater extent than ever before. This seems both alarming and ridiculous.

Our present Minister of Finance (Mr. Sharp) and Minister of Trade and Commerce (Mr. Winters) keep telling us that things are great, that this country is moving forward, that investment is at an all time high and that the business community is confident. At the same time this government is allowing its cabinet ministers to spend more money than is being received in revenue. It is continually interfering in the affairs of the people of this country to a greater degree than ever before, by spending the taxpayer's money, when it should be allowing the taxpayers to spend it as they see fit. How much longer can we live in this fools paradise?

We were told that the fiscal year 1966-67 was one of the greatest years in Canada's history, that the economy was booming, and that there was more employment than ever before; yet this government committed the Canadian taxpayer to $230 million more than will be received in federal revenues. This was a time when the government should have been allowing the private sector of the economy to maintain the buoyancy, and a time when it should not have been meddling in the affairs of the public. I do not know how much longer Canadians are going to allow the government to press forward with legislation for the benefit to 10 per cent of the population, paid for by 90 per cent.

We must create a spirit of initiative on the part of the people and we are not going to do so by continually giving them everything they ask for without asking them to do any work. We should wake up to this fact, and wake up to it very quickly. I have no argument with deficit financing or with social justice, but I do suggest that neither is good if the result is national bankruptcy. Surely it must be becoming more evident to us that we are living far beyond our means.

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

[Mr. Coates.]

Mr. Coates: I will answer all questions of hon. members after I have completed my speech.

• (5:20 p.m.)

For a period of time after 1957, we had to put more money into the economy because of a period of recession. According to some we came out of that recession in 1961, and according to others, in 1962. In any event we did come out of it. Surely to goodness we have to face the fact that if now, in a period of prosperity, we cannot pay our bills, then we will never be able to pay them. If that is the case, where are we going to end up? Surely we should expect enough responsibility from the government to at least balance our budget when times are good. Surely we should expect from the government enough responsibility to leave individual freedoms alone when there is no reason to be meddling around with them.

From time to time I am impressed by the concern which the Canadian people have voiced from time to time about the fact that parliament is debating certain subjects for long periods of time. These people ask: Why do you not get on with the work and be more businesslike? I often reply to them that they do not know how lucky they are, that parliament has long debates on some subjects, because when parliament is being efficient and passing legislation it is doing one of two things: it is either passing a piece of legislation which infringes on and limits a citizen's freedom, or it is passing a piece of legislation which will cost the taxpayer more money. So the more time parliament spends debating these subjects, the less time it spends dreaming up new plans, and the better off the taxpayers are.

However, what we can expect and what we get from the government are two different things, and this is very evident today, as it has been in recent years. But what we as members of parliament have to do is to realize the heavy burden we are placing on people who have to foot the bill for the legislation we are passing. If it were only the taxpayers of today whom we were asking to carry this very heavy burden it would not be so bad, but as long as we keep running up deficit after deficit we do not stop with the people who are paying taxes today but are saying to the taxpayers of tomorrow: You will have to pay for the things we thought the country should have, for the things that we want but cannot afford. I am tired of

doing this, unless it is absolutely necessary or unless we are in a period of recession.

While I am not committed to any of the leadership aspirants who are putting their names forward at the present time, I think that Senator Wallace McCutcheon at least talked good common sense when he laid down what he thinks a political party should be doing in this day and age. I believe the first thing that any political party should do is to try to look after the financial affairs of its people in a proper and prudent manner, and I do not think this government is doing it today or giving any indication that it will do so in the days ahead.

The legislation on medicare is to be implemented in 1968. The sad thing is that as soon as we are through with medicare, the N.D.P., the socialists in this house, will probably be proposing that we take over car insurance, or something else.

Mr. Knowles: Hear, hear.

Mr. Coates: Then the Liberal party will say: We cannot let the N.D.P. or the socialists get the kudos for this, so we will go ahead and do it. After car insurance it will probably be free haircuts for everybody in Canada: We will nationalize all the barbers. And then what next? This is a sad and ridiculous situation in which we find ourselves today. What we are doing is to make it more and more difficult for people to use their initiative, because if one makes a great amount of money, the government is going to take it away and the gap between what one can make and what the fellow who is on the dole will get will narrow down. This is the sad and stark reality of life in this nation today.We should wake up and forget about these socialists in the corner, because there is less and less support for them today, and this will continue in the days ahead.

Mr. Knowles: The hon. member had better whistle a little louder.

Mr. Coates: Mr. Speaker, I should now like to move to a different subject. Unfortunately I have to take the house on a tortuous trail along which the people in my constituency, and especially the people in the town of Springhill, have travelled since 1962. I will lay the facts before you, sir, because I feel they warrant and demand a government inquiry or investigation immediately. The facts that I have been able to secure from this government indicate a scandalous disregard for the taxpayer, and certainly for the people of Springhill. They are as follows: On February 7, 1962, Hon. E. D. Fulton, who was then minister of justice, announced that a young offenders penal institution would be build in the town of Springhill. The cost estimate on that penal institution at that time was set at $2.5 million. On September 12, 1962, Hon. Donald Fleming, who was then minister of justice, announced that the size of the institution to be built in Springhill would be doubled, and the estimated cost of the institution was listed at $4.5 million.

Mr. Fleming also stated in that announcement that in the fiscal year 1962-63 the department would spend $345,000—$45,000 for land, $50,000 in fees and $250,000 for site engineering. In the fiscal year 1963-64, Mr. Fleming said the main contract would be let at an estimated cost of $3,474,000, with a target date for completion of the institution to be in August 1964.

The Conservative government was defeated in the election of April 8, 1963. The people of Cumberland county in general and those in Springhill in particular waited and waited. The first thing that we discovered was that this government, upon taking office, fired the architects who had been appointed and in their place appointed friends of the government.

On April 13, 1964, as reported at page 2070 of *Hansard*, the then secretary of state who is now Senator Lamontagne, informed me that construction of the penitentiary would start in the summer of 1964 and that the contemplated date for completion would be the fall of 1965. I was also informed at that time that there would be 170 employees with an annual payroll of $800,000.

On page 10103 of *Hansard* of November 16, 1964, the then minister of public works, who is now Senator Deschatelets informed me that the contract for the penitentiary in Springhill had been awarded to the Foundation Maritime Limited on November 9, 1964. He further informed me that the completion date of the penitentiary would be May 9, 1966. In other words, because of the delays that were forced upon the construction of this institution by the present government, the people of Springhill had to wait more than a year and a half for completion. Not only that, Mr. Speaker, but the cost of the institution in the contract originally awarded to Foundation rose from the initial estimate of $3,474,000 to a contract price of $8,890,000.

• (5:30 p.m.)

As we went along, Mr. Speaker, we discovered still further delays in the completion of this institution. Although the date of completion was May 9, 1966, in early 1967 I was informed that it was now to be January 3, 1967, and that up until January 23, 1967 the government had spent $8,825,438. I was also informed that the government had spent $99,000 to erect a fence around the institution. One would have thought that for the protection of the public, and to make certain that the inmates stayed where they were supposed to stay, a very substantial fence would have been built around the institution; but the sad fact of the matter is that at the first good gust of wind the fence fell down. And it is still down, Mr. Speaker: I do not know when it will be re-erected.

Not only that, but I do not know when the penitentiary will be opened, Mr. Speaker, I am now informed that it will be opened in August, but according to the information I have I am indeed doubtful that it will open in 1967. As a matter of fact, I am informed that at the present time there is no water supply for this institution. This is an institution which to date has cost the Canadian taxpayer $11,502,000 but which has no water services. While I have no accurate information as to what it will cost to supply water, I do know that there is a good deal of talk that to supply water to the institution another $1 million will have to be spent. I am also informed that as the institution presently stands it has toilets which cannot be flushed, and the workmen there have to bring their own drinking water in their lunch cases. Surely to goodness, Mr. Speaker, one would have expected that a suitable water supply would have been assured before the institution was constructed.

The picture today is that $11.5 million has been spent on an institution which cannot be put into operation because no water supply is available and it is possible that it may cost another $1 million to supply that water before the institution can go into operation.

I am also told, Mr. Speaker, that the construction of the institution is of very poor quality; that there are walls dividing the cells that can be pushed back and forth. If this is the case it will not be very long before they are down. In view of the kind of criminals who are incarcerated in penitentiaries today, I do not think we can expect that these walls will receive the fatherly attention that one might give his own home. I trust that the government will not accept work such as this from the prime contractor, if that is the shape the institution is in at the present time.

I feel that this institution should have been opened a long time ago. A very substantial industry in a town that is very much in need of industry is waiting and waiting in the hope that the institution will be put into operation, so that the economy of the area can be buoyed up, as the people of the area anticipated it would be in 1964 when they were told the institution would be constructed.

I suggest, Mr. Speaker, that if ever there was an example where a government investigation should be carried out, this is it. As far as I am concerned it would be to the benefit of everybody if the investigation were a private one. Let somebody who is independent marshal the facts and tell the taxpayers exactly what has happened, why it has happened and where the blame should be placed. The situation is a fiasco at the moment and is certainly damaging the economy of the town of Springhill.

I have another problem in my constituency of very serious proportion, Mr. Speaker, and it relates to the aircraft industry in the town of Amherst. This industry is one of the cornerstone industries in that town. The town of Amherst is very dependent on this industry if it is to move forward, as I am sure everyone hopes it will.

I wish to place some facts on the record in relation to this industry. It has been a progressive one, an industry that has not depended on government help as its only means of survival. In a country such as ours a company engaged in the aircraft industry must depend on the government for a certain proportion of its work, because there are not that many people who deal with aircraft. But the situation that exists today is that that aircraft industry is at its lowest level of employment since I first came into politics, which is over ten years ago.

• (5:40 p.m.)

I should like to put some facts and figures on the record to show the kind of attention it has received since 1961-62. In that year the federal government provided this industry with overhaul and repair work in the amount of $1,500,000. In the year 1962-63 a similar amount of business was given to the plant and it maintained a good level of employment. Then in 1963-64, when the present government was in office, this $1.5 million worth of business shrunk to $861,000. It shrunk even further in 1964-65, to $707,000, still further in

1965-66, to $695,000, and still further in 1966-67, to $40,000. What the figure will be for 1967-68, I do not know. But I do know if this government expects that industry to be able to secure contracts from private business or firms in the United States, then a sufficient workload must be placed in the plant in the form of overhaul and repair work so the company can compete on other contracts. They have to have a workload that will reduce their operating costs as much as possible. When we were in office we maintained a sufficient workload of overhaul and repair work to enable the company to secure substantial contracts from the United States firm under the defence production sharing agreement. They have not any of this work in their plant now, and I do not see how they are going to be able to get any in their plant in the future unless more overhaul and repair work is placed in the plant. I hope the government will endeavour to increase the amount of work it gives to the plant because it would be a disastrous blow to the economy of the town of Amherst if this plant were to cease operation. I hope that every possible consideration and assistance will be given them, not only through granting them overhaul and repair work but in assisting them in their negotiations with United States firms.

I wish to conclude by saying I am very disappointed in the throne speech. It provides no sense of direction to the Canadian people. It provides no goals through which we could hope to develop a national indentity. It does not increase the amount of money that will be put into the national capital to assist in producing the kind of capital that all Canadians want, and of which they would feel proud when they see it. It does not do a great many things. I hope that we can look forward to a more imaginative program in the days ahead.

Mr. Chrétien: May I ask a question?

Mr. Deputy Speaker: Does the hon. gentleman want to ask a question?

Mr. Chrétien: Yes.

Mr. Deputy Speaker: I have to advise the hon. member that the time allotted to the hon. member for Cumberland (Mr. Coates) has expired.

Mr. Eric Stefanson (Selkirk): Mr. Speaker, first I wish to join with those who have already spoken and offer my congratulations to the mover and seconder of the address in reply to the speech from the throne. Being selected to move or second the motion for the address is a personal honour which also brings honour to the people whom they were elected to represent. This being Canada's centennial year, Canada's 100th birthday, one cannot help but take a brief look at our country's past history and achievements.

When Canada entered confederation there were roughly five million people in this land. In the intervening 100 years, Canada's population has quadrupled and the population is now roughly 20 million people. One hundred years ago the vote on the bill to establish confederation was taken at 4.15 in the morning. The confederation bill was carried, 91 votes to 33. When we concluded the first session of the twenty seventh parliament two weeks ago, it was 3.20 in the morning. It would appear therefore that the parliamentary system is still functioning in much the same manner.

I am sure no one will deny that Sir John A. Macdonald was the architect of this nation. The meetings that were held at Charlottetown laid the ground for confederation, and these have been recorded in the annals of history. The dreams of Macdonald, Cartier and the other fathers of confederation started to take shape after the passing of the confederation act. Sir John A. Macdonald became Canada's first prime minister and his vision of a great confederation, guided by a strong national government, started to take shape. Under his leadership and wise counselling Canada, as a nation, got off on the right track. His dream of building one nation, a united nation from sea to sea, became a reality. Macdonald's task was not an easy one, nor has the task of succeeding prime ministers been easy. The road was never perfect; potholes always develop that need care and attention.

During the past 100 years, Canada has matured and is today recognized as a country of peace and good will. Today, Canada is a nation built of a strong moral fibre, a nation highly respected around the globe. As I mentioned before, the road is not always smooth. Potholes have developed, and these need care and attention. Sometimes the reason for the development of these potholes is unknown, while in other cases the cause is very real.

I believe all of us need to rededicate ourselves to the concept of one nation and national unity. Personally, I felt that when the Prime Minister (Mr. Pearson) set up a royal commission on bilingualism and biculturalism, he made a mistake. This should never have been done. I have not changed my view in this regard. I firmly believe this is the

cause of the development of some of the potholes. Most people were aware that some problems did exist, particularly between the two founding races. After the appointment of this commission, these problems became magnified and a divisiveness the like of which I have never seen before was created in this country.

This commission on biculturalism and bilingualism will not only be the most expensive commission in Canada's history, costing the people millions of dollars, but will bring about no solution to the problem. In fact I venture to guess that when this commission report that report will be put in a pigeonhole and left there. There were other ways of dealing with this problem. I feel that the suggestion made by the Leader of the Opposition (Mr. Diefenbaker), that of convening a conference of government, of all political parties and representatives of all classes of society, to discuss the amendment and revision of the constitution, the bringing of the constitution back to Canada and the clarification and restating of our aims and objectives, was sensible and sound. This indeed would be a worth-while centennial project.

● (5:50 p.m.)

Canadians everywhere need to take stock of themselves and dedicate themselves to being Canadians first. There should not be any French Canadian, German Canadian, Ukrainian Canadian, Irish Canadian, Icelandic Canadian, and so on. I am not saying that one should forget one's racial and cultural background. I feel that everyone should be proud of his racial and cultural background, that one should use that background to become a better Canadian and a Canadian first. Then we would have Canadians of French descent, Canadians of German descent, Canadians of Ukrainian descent, Canadians of Irish descent and Canadians of Icelandic descent. In my opinion this type of attitude would help to make Canada a stronger and more united nation.

As a Canadian of Icelandic descent I suggest that each one of us, in this centennial year, dedicate ourselves to being a Canadian first, thereby helping to strengthen and unite our nation. This would be a good centennial project. I believe that people right across Canada are now in the mood to participate in the celebration of our country's one hundredth birthday. I think a lot of credit is due to our centennial commissioner, Mr. John Fisher, for radiating this centennial spirit among our people. I have heard Mr. Fisher on radio and television, and read his articles in the newspapers urging all Canadians to join in and participate in Canada's centennial celebrations. I believe that Mr. Fisher is going to achieve the goal which he set and he deserves the whole-hearted support of all public minded citizens in bringing this about.

Expo at Montreal will be the biggest centennial event in Canada. It was when the right hon. Leader of the Opposition was prime minister that the world fair was awarded to Canada and the site of the fair chosen. The present government, when they took office, carried on with this project. All those who have been connected with this project deserve a lot of praise and credit, as there is no doubt that this will be the largest world fair ever. It will truly be a magnificent event, and something that should make all of us proud to be Canadians.

Another major event taking place this year is the Pan-American games scheduled for Winnipeg from July 23 to August 6. It was also when the right hon. Leader of the Opposition was prime minister that the pan-American games were awarded to Canada, and the site chosen. All those who are connected with the planning and staging of those games deserve a lot of praise and credit. The indications are that the entries for the pan-American games will be the largest in history and that they will also be the most successful. This will be another event that all Canadians can be proud of. I should like to mention here that the pan-American yachting or sailing races will take place on lake Winnipeg, near my home town of Gimli, Manitoba. That I suggest would be a good time for anyone travelling west this year to visit Winnipeg and take a sidetrip to Gimli.

Throughout the Selkirk constituency many centennial projects have been undertaken, including the building of skating rinks, curling rinks, community centres, parks, libraries and others. From this list one can see that lasting structures will be erected in many communities. Committees in charge of annual events throughout the various communities in the Selkirk constituency are going all out to make them bigger and better than ever before. Centennial committees have been set up in most communities and these are staging a variety of events through the year. The people of the Interlake area have caught on to the centennial spirit. This is a good year for people to pay a visit to the various communities in that area.

I wish to mention that the town of Selkirk is holding a fair and regatta from July 1 to July 9, and that the guests of honour will be Lord and Lady Selkirk. Also, during the Icelandic celebrations to take place at Gimli on July 31, the committee will have His Excellency, Ásgeir Ásgeirsson, the president of the Republic of Iceland, as its guest. He will also visit Winnipeg and Selkirk.

The speech from the throne was one of the longest on record but it was lacking in specifics. It dealt in generalities and hope. This is not good enough, when our nation is embarking on our second century. Most of the editorials which I have read have expressed disappointment with the throne speech, which consists mostly of words without substance.

What has happened to the 10,000 annual university scholarships promised by the Liberals in 1962, 1963, 1965—and promised here, in the house, in 1966? Education should be high on the list of priorities. Even though education comes within the jurisdiction of provincial governments, it has become abundantly clear that provincial governments cannot foot the bill for secondary schools, universities, technical schools, and the like. It is therefore necessary that the federal government share in the cost in order that our young people will be adequately trained. There is no mention of education in the throne speech, except a brief reference to the need for strengthening the adult retraining program.

This government has seen fit to discard the vocational and technical school program which was brought in by the Conservative government and which proved so successful. The federal government should sit down with the provincial governments to work out a cost sharing arrangement for education which would assure all our people of the fullest opportunity to acquire the best education and training possible. After all, our human resources are the most important resources in our country.

There is reference in the throne speech to the further reform of parliamentary procedure. Several members have already dealt with this subject. The member for Winnipeg South Centre (Mr. Churchill) delivered what I considered an excellent speech on this topic. Personally, I do not think there is anything seriously wrong with our system. Freedom of speech and the freedom of the individual are freedoms that have to be guarded and maintained. When a parliament lasts over a year, as the last one did, the chances are that there is mismanagement, or that the government is being unrealistic in the amount of legislation it proposes. I believe that both of these were contributing factors in making the last session the longest in our parliamentary history.

The only reason parliament has to meet every year is to pass supply; its second function is to deal with legislation. The government has to gauge the amount of legislation to bring forth that can be dealt with in the time available. It is a mistake to have a session of parliament go over a year. The last session should have ended just before Christmas and the new session should have started in January, instead of in May.

The Prime Minister must be very careful in the choice of a house leader. The government house leader has one of the most onerous and toughest jobs in the House of Commons. One must possess many skills and virtues to become successful in this post. The Prime Minister, for the success of his government and indeed for the success of parliament, has to produce such a man. I do not know whether the newly appointed house leader has these qualifications. On his past performance in the house, it is very doubtful if he has; however, the challenge is his, and he may alter his ways and rise to the occasion—and I hope he does.

Another important factor is for members to discipline themselves and at times to practise restraint. I think this is more important than any rule change. Some of the vociferous members of this house should take stock of themselves and ask themselves whether, if every member took up as much time as they do, a session could ever be concluded. Some of these vociferous members are advocating rule changes and limitation of debate. Their motto seems to be that it is all right to deny other members the opportunity or right to speak, so long as they have their say. Here again it is self discipline and self restraint that is required.

With a government house leader who has good understanding and is capable of good management, and with properly disciplined members there would be no need for rules to curtail debates. Much more could be achieved by co-operation and agreement among members than by any rigid rule changes.

May I call it six o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles), air transport—request for ban on use of highly inflammable fuel; the hon. member for Lisgar (Mr. Muir), health and welfare—inclusion of additional services under provincial plans; the hon. member for Roberval (Mr. Gauthier), national defence —Bagotville, Quebec—protests against military manoeuvres.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Stefanson: When the house rose at six o'clock I had made a few brief comments about the work of parliament itself. The Montreal *Gazette* of May 10, 1967, carried an editorial the heading of which read: "Year-long Session Here To Stay". I think this is an assumption which is accepted by all parliamentarians. What we do object to are sessions extending beyond one year. The article outlines means by which the business of the house could be handled in a more orderly fashion. It states that the estimates should be brought down early in the session. I have always believed that parliament should deal first with estimates and then with legislation and that the work of parliament would be done in a more orderly and efficient way if this practice were followed.

The article goes on to advocate fixed adjournment periods for the Christmas, Easter and summer recesses. I do not think anyone would quarrel with that suggestion. I wish to quote briefly from this article which appeared in the Montreal *Gazette*:

> No government should overload parliament and then publicly complain that its measures are not being passed. One of the advantages of a well-programmed year-long format is that experience would show just about how much legislation may reasonably be presented for parliament's consideration. As one session would almost immediately follow another, there would be no serious need to press too much into any one session. The reality of year-long parliamentary session is being imposed on practices and customs that grew up when sessions lasted a few months only. Reality and practice have still a long way to go before they can be brought into alignment.

This government has complained a great deal about our failure to pass various measures, and then in the next breath it brags about the amount of legislation which has been dealt with. If the government did less complaining and concentrated upon better planning and management of our sessions it would help restore the image of parliament.

Perhaps I should say a word about the former leader of the house, the Minister of Public Works (Mr. McIlraith). I feel he was a good house leader and that he had many good qualities. He understood the House of Commons, and this is essential. But he made one mistake; he allowed the session to run beyond 12 months. This is intolerable and must not happen again. I repeat, for the benefit of the new house leader, that no session in the future must ever run beyond 12 months; sessions should be so organized that they invariably end within the 12 month period.

I have always felt that my first duty as a member of parliament was to my constituency. I therefore intend to touch on some matters which are of direct concern to my constituents, though no doubt they are of importance to people in other parts of Canada as well.

• (8:10 p.m.)

First, I wish to make a brief comment about the sales tax on drugs. I am not so naïve as to say that the government's revenue can be cut. Therefore by cutting out a certain tax one would need to find other means of revenue. I believe that the sales tax on drugs is unjust, unfair and downright discriminatory and that it should be abolished forthwith. Chambers of commerce in my constituency have promoted resolutions to this effect, and a resolution of this kind was passed at the annual meeting of the Manitoba Chamber of Commerce.

The special committee on drugs has recommended that the sales tax on drugs be abolished. In reality this sales tax is a sales tax on sickness and on those who are sick. I sincerely hope that the government and the Minister of Finance (Mr. Sharp) will see fit to act swiftly and remove this tax, because there must be a fairer and more just way for the government to raise the revenue it needs.

Now I want to deal briefly with water pollution. The throne speech makes reference to a Canada water act to combat pollution. At the present time one does not know what form this measure will take. It is abundantly clear that steps are needed to combat water pollution. Plans will be required to prevent further pollution of our rivers and lakes, and a definite plan has to be developed to clean up pollution in the rivers and lakes already polluted, and I think this includes most of the rivers in Canada.

To clean up the pollution in some of the rivers is going to be a massive job. The only government action to date is the amendment assented to on December 2, 1960, Part VI-B of the National Housing Act, which provides for loans for municipal sewage treatment projects. This section also provides for a 25 per cent forgiveness.

This act has been made use of by many towns, cities and villages, and a good start has been made to prevent further pollution, and also a start made to clean up existing pollution. However, much more needs to be done because the pollution problem is large. To make a thorough and successful job of combatting water pollution will require the co-operation and participation of all levels of government, of industry, of business, and the people themselves. I am happy to note that the government plans action to combat water pollution.

Next I wish to deal very briefly with national housing and the housing situation. In the throne speech there is reference to a special study of urban development. The Minister of Labour (Mr. Nicholson), who reports for Central Mortgage and Housing, has held symposia on housing and urban renewal in conjunction with provincial governments. These symposia have been held in every province of Canada. I have attended two of these symposia or conferences in Winnipeg, and one at Selkirk. I would think that from these conferences many of the problems facing urban communities are known to provincial and federal authorities and the time has come for action to be taken, and not just for further studies, as is indicated in the speech from the throne. No doubt one could hold continual studies and keep on learning, but in my humble opinion the need for action and for plans to be put into effect to attack these problems is greater than the need for further studies which will only delay action.

The government and the minister in charge know that there is a desperate need for houses in Canada. They also know that the cost of houses is getting too high. Therefore the sales tax on building materials should be removed. Land price is getting excessive, and municipal taxes are getting too high. Action needs to be taken on these problems. If action is forthcoming on these matters it would encourage our young people to become homeowners. I believe it is important in our social way of life that a large portion of our adult population become homeowners. In this centennial year further studies are not the answer; it is action that is needed.

In the speech from the throne there is also reference to new incentives to promote industry in the north. I welcome anything that the government proposes to do to assist industry in northern Canada, and I can think of no better way to help promote industry in the north than to provide the necessary services such as roads and communications. I therefore would like to see the government renew the roads to resources program, which was of such great benefit, to help open up new territories in every province of Canada. I urge the government to renew the roads to resources program without delay.

Some time ago the government made a very grandiose announcement about convening a conference of ministers of highways to discuss highway policy for Canada. However, this conference has not been held to date, and I do not know whether the government has any intention of implementing its plans for it. There is a definite need for the federal government to have a highway policy because there is a need for it to participate in a second trans-Canada highway.

There is also a need for a policy to provide services for pleasure craft. The marina policy announced in the fall of 1965 is not working. The federal government must not shirk its responsibility here. It certainly has responsibilities to provide services for pleasure craft, just the same as provincial governments supply highways and services for motorcars. The marina policy has been in operation long enough for the government to realize that it is not functioning properly, and I hope it will

take another look at it and come up with a successful policy.

When the ADA program, the area development incentive measure, was first introduced and the boundaries established, I pointed out to the minister that the boundaries as they exist in the interlake area were not fair or just. The minister simply replied that they had to put the boundaries somewhere but they would review this matter later. From a press announcement made at Arborg on Tuesday, May 16, when they signed the ARDA-FRED agreement for the interlake area, it was indicated that they were extending the boundaries to include the towns of Selkirk, Stonewall and Teulon and the rural municipalities of Woodland, Lockport, St. Andrews and so on.

One group of people in my constituency comprises fishermen. Generally the income of fisherman is very low. In 1964 the federal government held a great conference here in Ottawa, and from the press release which came from that conference one felt that everything in the fishing industry would be corrected, and that in fact this was a sort of Magna Carta for the fishing industry. My understanding was that the premier of Newfoundland would not be satisfied with anything less.

I do not know how this affected Newfoundland or what has been done for them since the conference was held, but the situation for fishermen in the province of Manitoba has certainly not improved since that time. In fact it is in worse condition right now than three years ago. In this connection I wish to quote briefly from an article which appeared in the Winnipeg *Tribune* of May 6 last, headed "Fishermen Face Bleak Season." It reads:

> The Manitoba commercial fishing industry, which employs more than 5,000 men mostly on northern and central Manitoba waters, is slowly grinding to a standstill.
>
> The federal government's Prices Support Board has refused a request for help, leaving the whole problem squarely in the provincial government's lap.
>
> The 5,000-or-more fishermen face a lean summer season mainly because of a huge surplus of prepared fish which is sitting in Winnipeg cold-storage houses. Because of this surplus, dealers cannot meet their customary cash advances to allow fishermen to begin the summer season's work.
>
> Reason behind the surplus—there are an estimated 1.5 million pounds of pickerel fillets in cold storage in the city—is a general price increase in stores. This increase, and the general dispensation governing Friday fish-eating by Roman Catholics, has cut deeply into demand for fish.

[Mr. Stefanson.]

> Among other species, only whitefish and pike (jackfish) are moving at a steady rate on the local market.
>
> Industry spokesmen have told the provincial government that they cannot make the usual cash advances.

The request for assistance from the prices support board was turned down, and I further quote:

> However, the industry did ask the Prices Support Board to help move present surplus stocks to create a demand artificially for the summer crop. This request was refused.
>
> Officials in the industry believe the board turned down this suggestion because the P.S.B. thought if it helped the fresh water trade in this way, it would immediately receive requests for the same sort of help from east coast fisheries.

From this you can gather that the fishing industry in Manitoba is in a very serious situation. More research is needed, more hatcheries are needed on the lakes. The fishermen's indemnity plan is not available to fishermen in Manitoba or elsewhere in the prairies. The subsidy for fishing vessels is not available to fishermen in Manitoba.

• (8:20 p.m.)

These programs should be made available to fishermen on inland lakes just as much as fishermen on the east coast. What is needed most of all is a fresh fish marketing board as recommended by the McIvor Commisison. I hope that the government will not delay taking action on this report. As far as I can find on my travels, no one is against the setting up of a marketing board, and in fact everybody is in favour of it.

Before concluding, Mr. Speaker, I wish to say a word or two about ARDA. All hon. members received this week a kit of ARDA information which deals with the agreement covering a rural development program for the interlake area of Manitoba. This plan involves the expenditure of $85 million; $49½ million will be put up by the federal government and $35 million by the provincial government.

Mr. Deputy Speaker: Order, I must interrupt the hon. member to advise him that his time has expired.

Sone hon. Members: Carry on.

Mr. Deputy Speaker: Does the hon. member wish to continue?

Mr. Stefanson: Just for a minute, Mr. Speaker.

Mr. Deputy Speaker: Does the house give unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Mr. Stefanson: Thank you, Mr. Speaker. I wish to conclude by saying that the agreement covering the interlake area shows very clearly what can be done when all levels of government and the people work together. The ARDA program was started in 1960. The interlake was declared a test area in 1962. Subsequently it was declared a designated area, and this comprehensive agreement involving an expenditure of $85 million for the area is being made possible through the ARDA and FRED programs. This comprehensive program will give a real lift to the people of the interlake area.

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, I am happy first of all to congratulate the mover and the seconder of the address in reply to the speech from the throne. The mover, the hon. member for Burin-Burgeo (Mr. Jamieson) displayed a rare eloquence. As for the seconder, the hon. member for Nicolet-Yamaska (Mr. Côté), the Quebec farmers rightly see in him a true farmer who, in a simple and sincere way, has ably expressed his views on rural life in eastern Canada.

During these few minutes when I will have the privilege of giving my impressions on the speech from the throne, I will endeavour to speak at some length of regional and inter-regional development, within the framework of our confederative system.

According to some of our usual critics, there were few surprises in the speech from the throne. Would it be that those critics have forgotten the tremendous legislation and numerous achievements of the government in the first session of the 27th parliament, the longest in the history of Canada and one of the most productive if not the most productive? In this second session, Canadians expect the government to continue and consolidate the task already begun.

On May 11 last, in this house, the member for Burnaby-Coquitlam (Mr. Douglas) asked what had happened to the war on poverty, whether an armistice had been signed. Still, the last speech from the throne proves that the government is still fighting against poverty.

Indeed, what about the measures it will take to create an increasingly favourable climate for industrial development and the multiplication of employment opportunities?

What about the other measures he proposes in order to promote regional development, to amend the Unemployment Insurance Act, to help Canadians who must travel to find a job, to make manpower centres more effective, to develop the adult retraining program?

What can be said about those measures except that they concretize a war strategy on poverty, so that every Canadian may enjoy life and be increasingly happy in his respective province, in Canada?

Is it not one of the reasons why the hon. member for Burnaby-Coquitlam was able to state, further on in his speech: "We can be proud of our country's achievements." In my opinion, he could have said just as well: We can be proud of our country's achievements under the leadership of our present Prime Minister (Mr. Pearson).

In addition to the numerous proposals—I counted at least thirty—there is what the hon. member for Villeneuve (Mr. Caouette) called a lot of fuzziness and nonsense. In my opinion, it was more than normal, after a hundred years of confederation, for the government to draw up a summary of the last hundred years and to outline a program for the hundred years to come. It did precisely that by making a historic review and stating the basic principles underlying Canada as it stands today at the beginning of the second century of confederation.

I think that most citizens of my riding share those few impressions on the speech from the throne, because they are in accordance with their hopes to achieve economic stability for their region and to progress at the same rate as the other regions of Canada.

> —the main considerations involved in achieving regionally balanced development in Canada, consistent with our other national economic goals,—

And here I quote the Economic Council of Canada.

The Economic Council of Canada, as well as several other government and private institutions, mentioned them on various occasions. The council and I quote:

> —noted, first, the importance of reducing the relative disparities in average levels of income as they presently exist among the regions; and second, the need to assure that each region contributes to total national output, and to the sustained, long-run growth of that output, on the basis of the fullest and most efficient use of the human and material resources available to the region.

The riding of Rimouski is part of the pilot area in which was applied the development program of the Eastern Quebec Development Board published on June 30, 1966. That plan is an ARDA project which cost $3,849,000, at least 50 per cent of which was paid by the federal government. It proposes long-term development objectives to 1982 and short-term objectives between 1966 and 1972.

At present, the problems to solve is that of the agency responsible for implementing the plan. According to E.Q.D.B., it is a matter of

—identifying the agency responsible for the so-called implementation stage of the development logic which presided over the relationship established between the various programs and projects.

The organization of that agency is the problem that is of concern and particular interest to the people at the present time. In the meantime, other provinces receive through ARDA several millions of dollars to develop their territory.

• (8:30 p.m.)

For instance, the readers of a Rimouski weekly, *L'Écho du Bas-St-Laurent,* were informed last January 23 that $89,250,000, including $62,136,000 from the federal government, had been spent to implement the rural development program in the northeastern part of New Brunswick.

What we want is an efficient structure of consultation and pressure. As far as the implementation is concerned, we want the procedure to be determined in the spirit of our democratic traditions, in the respect of the freedom of each citizen. We are confident that the government of our province will assume its responsibilities in this field and co-operate with the federal government in the implementation of the plan.

According to an account of the visit of the Quebec minister of agriculture to Mont-Joli, published in the newspaper *Le Soleil* last January 13, the minister intends to set up this organization, appoint a committee of the legislature and name a regional co-ordinator.

In any event, we would like the federal government to maintain its present serious interest in this matter and appoint its own official, whatever his title, to co-ordinate the various services of the federal government with regard to the implementation of the program.

Therefore, the statement made by the hon. Minister of Forestry and Rural Development

[Mr. LeBlanc (Rimouski).]

(Mr. Sauvé) on April 24 last, was a little reassuring, when he said:

It will be our pleasure before the fall, to sign an agreement which will be a feather in the cap of both the provincial and the federal governments involved.

My constituents from Rimouski were right, I think, to be skeptical, apprehensive and to fear being involved in an unfortunate experience, doomed to failure. Some past experiences can illustrate the reason for that frame of mind.

About 40 years ago, large numbers of pioneers who intended to be farmers were led into the forest hinterland.

In the framework of a colonizing policy, they cleared the land and toiled hard. Today, their children leave them for the big cities, and they remain alone on land which has not fulfilled past promises.

Here is another example: At Pointe-au-Père, a municipality quite close to Rimouski, was located for many years the piloting station on the St. Lawrence river which kept, among other things, the economic activity of the municipality balanced.

At the time of the Conservative government after 1957, our friends in the opposition agreed to the removal of this piloting station without apparently thinking of the economy of the municipality.

Before 1957, the Liberal government of the time considered the possibility of improving the wharf at Pointe-au-Père which could have been the home port of a ferry capable of serving both shores the year round.

At that time, service was supplied almost ten months a year by an old and well-established company which had already taken steps to build a powerful ferry capable of year-round service.

In August 1961—

And I am quoting from the report of the Auditor General for the fiscal year ended March 31, 1964:

—the Treasury Board gave approval in principle to the granting of a subsidy.

This subsidy was a capital subsidy which proved to be an amount of $2,363,650, that is the purchase price of the ship, including taxes and it was owned by a newly-formed company, other than the one whose plans were prepared under the direction of another company. I continue the quotation:

But in doing so, they emphasized that it considered a service of this nature to be primarily a provincial responsibility. The board was prepared

to make an exception in this particular case however, because it was in hand and other active consideration before the board recommended to cabinet a report on federal assistance to a ferry and coastal services under the principles of which intra-provincial ferry services that are essentially highway links—chiefly services involving roll-on/roll-off ferries, are considered to be a matter of provincial responsibility.

Why did the Conservative government of the time arrange for the total capital subsidy to finally reach $2,363,650 so as to pay the full cost of a ferry without taking serious precautions for the future? Why did they agree with the company on a contract for only five years, terminating on December 31, 1966. Why did they not order a careful inquiry by their economists to make sure that the ship would be economic?

These are the questions my electors are asking now that they know the ferry was sold some days ago to British Columbia Ferries—according to the newspaper *Le Soleil* of May 6—for $1,850,000.

I think the present Liberal government would be sympathetic as concerns this ferry; but since then, the problem has become the exclusive responsibility of the provincial government. That is why the population will have to start from scratch and ask the Quebec government for help in reorganizing this service.

• (8:40 p.m.)

Another fact is connected with the maintenance of the port of Rimouski, that is the wharves of Rimouski-Est and Pointe-au-Père.

For many years the port of Rimouski was the most important port of the Lower St. Lawrence, east of Quebec even from the Bay of Chaleurs up to Dalhousie inclusive. Since, some ports of the north shore such as Baie Comeau and Sept-Iles have certainly surpassed it during those last years.

One has only to consider the net amount of wharfage dues collected during the past five financial years to realize it; Sept-Îles, $480,000; Rimouski, $337,000; Dalhousie, $122,000; Baie-Comeau, $113,000; Forestville, $109,000; Chandler, $101,000; Sandy Beach, $79,000; Rivière-du-Loup, $38,000; Mont-Louis, $30,000; Matane, $26,000; Havre-St-Pierre, $20,000; Ste-Anne-des-Monts, $17,000.

This can be explained if one considers that Mont-Joli, Rimouski, Price and the surrounding municipalities, with a total population of some 60,000 inhabitants, also constitute the largest group of the lower St. Lawrence and the gulf, and includes the greates number of public services.

Now, before the advent of the Conservative regime in 1957, there was, according to my information, a permanent staff in the field for the maintenance of these wharves.

Under the Conservative government, the system was changed and wharf maintenance people were dismissed and never replaced. Ever since, everything that should be checked yearly and regularly on these wharves is in a pitiful state.

Therefore the population is relying upon the co-operation of the civil service and of the present government to make the necessary improvements.

Facts of this nature spread some doubts in the people's minds. That is why they bank so much on the implementation of the recommendations of the development plan without which they may be doomed irrevocably.

Naturally, there are several other problems to be solved. For instance, what I said about the maintenance of the wharf at Rimouski could also apply to Trois-Pistoles.

There is also the organisation of the Canadian National Railways in our area. We hope to make, in the near future, to the hon. Minister of Transport (Mr. Pickersgill) representations based on concrete facts and figures.

We also have a magnificent airport at Mont-Joli that was built during the last war for military purposes. It cost $3,059,491, which includes $1,735,019 spent on the construction of three runways. Improvements have since been made amounting to $695,030, which gives a total cost of $3,754,521.

Considering the difficulties of air transportation in the pilot territory, we are building great hopes on that airport in our efforts to develop the district.

In my area, as well as in the whole surrounding territory, agriculture has taken on the form of a familiar and current problem.

I think that our farmers, as well as those interested in agriculture, would like to make marginal lands fully economic, to gear production to ecological, climatic and economic conditions and to relate activities from one area to another, with regard to relations with the north shore of the St. Lawrence river and an industrialized agriculture. Our agriculture must remain a comparatively important activity.

In our area, positive action must be taken primarily at the very root of agriculture and

we must not rely solely on price control. Such a rationalization will enable farmers to obtain better prices for their products.

Manufacturing milk would seem best suited for intensive production on our farms; that is why I am always among those members who try to understand requests from our manufacturing milk producers and to bring the necessary pressure to bear in order to improve price conditions in this field.

Yesterday's vote—as all hon. members know—was not on the merit of the amendment; it was a vote of confidence in the government which, for many years, carried out a progressive program, on the whole, and accomplished more, particularly in the field of agriculture, namely with regard to the dairy policy, considering that a farmer who received $2.90 per hundredweight for manufacturing milk in 1963 now gets $4.75. That is why I voted with the government. At the same time I was convinced that I was voting in the farmers' interests.

A better balance in the area economic development in Canada is a most urgent goal to achieve. To that end, as we enter the second century of our confederation, the consideration of the necessary amendments to our constitution is certainly important.

Quebec wants, and rightly so, to keep its distinctive character as do other provinces.

Confronted with our American neighbour, Quebec considers it in its interest to remain within confederation, not only from the material and economic point of view, but also for philosophical, political and cultural reasons.

Remembering Lafontaine and Cartier, we still have reasons to continue to build harmoniously, a happy and flourishing Canada.

Therefore, at the beginning of this session of our centennial, with the achievement of an ideal balance between the regional sectors and a spirit of understanding among the provinces, we want to build a greater Canada, but just as serious-minded, just as daring but still always true to itself, always peaceful, so that we may be proud to say: We are Canadians.

[*English*]

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I had not originally intended to take part in this particular debate, but lately matters pertaining to the record of the government and its effect upon the people have accumulated in my files. Therefore I rise to bring these matters to the attention of the house, hoping the government will take heed.

[Mr. LeBlanc (Rimouski).]

Before I do so, I also wish to commend the mover and seconder of the address in reply, the hon. members for Burin-Burgeo (Mr. Jamieson) and Nicolet-Yamaska (Mr. Côté). Both of these hon. members have brought a distinct honour to their constituencies. This brings to mind memories of the time in September 1962, almost five years ago, when I first came to this chamber, and the newly elected member for Nicolet-Yamaska, Hon. Clément Vincent, now minister of agriculture in the province of Quebec, had the honour of seconding the address in reply to the speech from the throne. At that time the hon. member and I were roommates. We shared an office on the third floor of the west block. In the ensuing parliaments we were seatmates. I visited the counties of Nicolet and Yamaska many times as his guest, and he visited me in Prince Edward-Lennox.

He taught me French and I helped him with his English. This was to our mutual benefit. We were a working example, proving that Canadians of different races can get along together in harmony. We believed, and still believe, that all Canadians who respect each other's origin, social needs and geographical circumstances can live together harmoniously. The days are past when a narrow, provincial outlook regarding Canadian citizenship sufficed.

The speech from the throne asks for Canadian unity. This is why I must bring up a matter which does not make for Canadian unity, and which will demonstrate to hon. members the ignorant and narrow outlook of the chamber of commerce of the district of Montreal and the discourteous and un-Canadian treatment which they gave a 17 year old student from my constituency. The student's name is Mr. Jim Munro of Amherstview, Ontario. As a result of this, his father, Mr. R. J. Munro, has written to me and asked me to bring this matter to the attention of the house. I will read the application for employment which the son made to the Montreal Chamber of Commerce, as well as the reply he received. I will also read his father's letter to me. The following is the letter written by young Munro to the Montreal Chamber of Commerce:

Dear Sir:

I am writing to you regarding summer employment (June 10-September 1, 1967).

The reasons I am interested in obtaining work in Quebec are:

(1) to broaden my speaking knowledge of French

(2) to earn money to pay for my stay in Quebec and to save some money.

I have taken four years of French in high school and have only a very basic knowledge of French. While I am unskilled and cannot speak fluent French, I realize extra hard work is an asset.

I am interested in finding out what your thoughts and recommendations would be in regard to:

(1) type of employment available and corresponding wages

(2) cost of living in the Montreal area.

• (8:50 p.m.)

Any information and/or assistance you may be able to supply me will be greatly appreciated.

Then, the Munro boy goes on to give his full name, address, his date of birth, his height, his weight, his education and his future plans. He says his future plans are to obtain high school graduation and enter university in a political science course. He closes his application with, "Yours truly, Jim Munro". The Montreal Chamber of Commerce did not even have the courtesy to write this young man a letter. They turned the letter over, put it in the typewriter and in capital letters with the red portion of the typewriter ribbon they typed across the back of Mr. Munro's application:

Sorry, no summer job available for non-Canadian.

La Chambre de Commerce du District de Montréal.

Then, Mr. Speaker, I wish to quote the father's letter. You cannot blame Mr. Munro for being angry at such frustrating circumstances and the treatment of this ambitious young student. Mr. Munro writes to me from Box 167, Amherstview, Ontario, which is roughly ten miles west of Kingston. His letter reads:

Dear Mr. Alkenbrack:

We recently had something happen that upset and perturbed us very much.

Our oldest son, who will soon be eighteen, has been writing to the Chamber of Commerce of various cities requesting all pertinent information in regards to summer employment. In most cases, he has received a satisfactory answer.

In this group of cities was Montreal. The only acknowledgement received was his original letter back with these words typed in red on the back—

Sorry, no summer job available for non-Canadian. La Chambre de Commerce du District de Montreal.

The return address on their envelope is,

Chamber de Commerce,
Du District De Montreal,
31 Ouest Rue St. Jacques
Montreal,

How they have the audacity to classify him as a non-Canadian, we fail to understand.

To begin with, he was born in Ottawa while I was a member of the R.C.A.F. I served a total of over eight years during and after the war. I also had three brothers and one brother-in-law in the armed forces during the war. My father in law was a veteran of the first world war but couldn't go in the last one because of medical reasons.

To top this off, my mother—

I am still quoting Mr. Munro, the father of this wronged student.

To top this off, my mother is of French descent; also my father in law was born in the province of Quebec and moved to western Canada as a boy.

Since you are our federal representative, we feel that you should be the one to do something about this. Therefore, we would appreciate it if you would bring this ignorance to the attention of person or persons who will take action to straighten out such people.

Sincerely yours,
R. J. Munro

There is a notation that a copy was sent to Mayor Drapeau, Montreal. Now, Mr. Speaker, who is it in the Montreal Chamber of Commerce, "La Chambre de Commerce du District de Montreal" who is doing this? I am sure Mayor Drapeau does not condone it; I am positive of this. Whoever it is, they have been encouraged in their rudeness by this Pearson government because the Pearson policy of bilingualism and biculturalism has divided this country needlessly and nefariously, and to an alarming degree. This policy has encouraged just such cases of narrowness and ignorance as I have now brought to your attention. The Montreal Chamber of Commerce demonstrates, in this instance, that they discriminate against English speaking Canadians. They do not even recognize them to be Canadians because they answered Mr. Munro by saying he was not a Canadian. Of course, this case only illustrates the fact that when you discriminate against people because of their racial lines, such action quite often comes back to haunt you.

I say this because I have investigated this family. I find that Mr. Munro's grandmother, that is his father's mother, was Henrietta Bédard, a French Canadian girl from the province of Quebec. She bore a son who served his country in wartime in the R.C.A.F. for a total of over eight years. This noble French Canadian grandmother also bore three other sons who served in the armed forces during the war.

I have investigated the other side of the family tree and I find that the grandfather on the mother's side was a man named McGillvray of Thurso, Quebec. This family has been here since General Wolfe took Quebec in 1759; the family dates back to that time. I say to the government and to the Montreal Chamber of Commerce only this:

What a treacherous and despicable way to treat Jim Munroe, the grandson of this woman, just because he happens to live in Ernestown Township in the County of Lennox in Ontario.

Moreover, Mr. Speaker, just think what an adverse and unco-operative attitude this action will tend to create in the minds of our youth when they have been treated in this manner. I say to the Prime Minister stop encouraging this two nations policy. This case which I have brought to your attention is the result of this policy. Someone in the Montreal Chamber of Commerce, and I aim to find out who, has taken the Prime Minister literally and deduced as follows: The Liberal government in Ottawa says Quebec and its people have a special status under this Liberal, two nations concept, and therefore this person answered Mr. Munro by saying that there were no jobs there for non-Canadians. As I said before I intend to get to the bottom of this and I demand an explanation and apology to the Munro family by the Montreal Chamber of Commerce. I want the assistance of the government in doing so.

Now I must turn to the speech from the throne. This long discourse seems to me to be merely a rehash of promises made in the last four years. The government, as usual, has been non-productive of any useful legislation. I thought, and everyone noticed this, that they imposed on His Excellency the Governor General because, in many instances, he was forced to use flowery adjectives to describe alleged government action in the past or in the future. In short, Mr. Speaker, the government was covering up its careless and profligate actions of the past with words, words and more words. At times, and in some sections, the speech sounded like a lecture, not to parliament alone but to the Canadian people.

Nowhere in the speech was there any mention of economy by the government or of the great need that is upon us right now to reduce taxation in order to give people a chance to build homes and raise their families without going bankrupt. The government admits that inflation is rampant. It is beyond their control or they would do something about it. The latest cost of living index, standing around 148 for the month of April, is the highest in history. Last May 27, almost a year ago now, Mr. Speaker, I brought this matter of national importance to the attention of the house. My speech is recorded on page 5607 of *Hansard* and in it I referred to consumer credit, the cost of living and expressed some opinions concerning the Bank Act.

[Mr. Alkenbrack.]

I am glad to see that some action has been taken in connection with the Bank Act along the lines I recommended. I commend the government for these new banking measures which are now in force and are of benefit across the country. These provisions give the chartered banks an opportunity to participate more fully and to compete for consumer credit. I notice that my words of last May 27 regarding money on deposit were prophetic because the chartered banks are now paying far more interest than formerly on savings accounts. This is a good thing, because it enables the little people who cannot afford to take a chance on the stock market or to buy bonds, to save money at a rate of interest which is at least as good as the yield on some bonds. What is more, Mr. Speaker, they save this money in their local bank.

• (9:00 p.m.)

I am sorry to see that nothing has been done about the plight of the consumer and the spiralling cost of living. True, the government is going to form another department and a minister has been named to head it. But this will only increase taxes, Mr. Speaker, which is part of the cost of living. This matter could have been dealt with without the formation of another department. I believe we now have 26 ministers of the crown. We must remember that the consumer has to pay for all of this extra expenditure. This will mean the building of another departmental empire in Ottawa. I suggest this matter could well have been handled by the present President of the Privy Council (Mr. Gordon). He is an economist and he is once again a member of the cabinet. He is also an authority on external affairs, though the Prime Minister no longer takes his advice.

No effort has been made, according to the speech from the throne, to take any measures to lower taxes or reduce the needless spending of millions of dollars. On the contrary, just as we started this new centennial session the government bought a $300,000 painting, the purchase of which has infuriated the majority of the people of this country. I would ask the members of the cabinet as well as my colleagues in the house to go and look at this thing in the art gallery, and then to take a journey around the country. In fact, one does not have to go very far from Ottawa into either Quebec or Ontario to see some of the poverty that exists.

We are now finding the ministers of this government apeing some of the sayings of our good neighbour to the south, when they talk

of Canadianism in terms of "the affluent society". This is a myth; there is no truth in it. It is an insult to the intelligence of at least half the people of Canada.

I suggest that to move toward any form of affluence we must stop taxing the working man at the rate we are today. The working man is raising a family and trying to pay off the mortgage, as well as buying groceries, clothing and insurance. As a member of this chamber I think I can truthfully say I have always been one who tried to pay close attention to the fair and well founded opinions of the people. With regard to just one facet of this question of taxation I should like to quote a letter which I received from one of my constituents, a man who works in a plant and has to provide various accoutrements and tools to perform his job. He says:

Dear Sir:

A new safety ruling at my place of employment, effective 1st May, 1967, states that employees are required to wear safety footwear, or toe caps fitted over ordinary footwear. The toe caps are supplied by the company, but are very awkward to wear, so the only alternative is to buy, at our own expense, less a 25 per cent discount, paid by the company, our own safety shoes. This I did, at a cost to me of $12.98 plus 5 per cent sales tax. This set me to thinking and I have come up with the following suggestions that you, living in a working man's area, will probably agree with and may be able to bring to the attention of the authorities.

1. All safety equipment purchased by an employee, should have the sales tax eliminated or an allowance for different work categories be set, to be deductible from federal income tax return.

I appreciate that he is talking about the 5 per cent provincial tax, which has nothing to do with us; but he is making some very worthy suggestions regarding deductions from federal income tax for some of these personal expenses, which do pertain to Federal powers and I agree with him. He goes on:

2. All work clothes purchased by an employee should have the sales tax eliminated, or a clothing allowance be set, to be deductible from federal income tax return.

I would draw the attention of hon. members to the next suggestion because I know many of them have had it put to them:

3. An employee driving to and from his place of residence to his place of employment, whether the employee uses a chartered service or personal vehicle, to have a transportation allowance set, to be deductible from federal income tax return.

4. In the case of tradesmen having to purchase their own tools and equipment, an allowance be set, to be deductible from federal income tax return.

Do you think a signed petition would have any effect on the powers that be? Please advise.

Thank you.
Sincerely,
Donald A. Young

Mr. Young is from Amherstview, Ontario, and I totally agree with his suggestions. This account, put forward so ably, should be heeded by this government. The lack of exemption from tax on certain items is unfair to labourers of this category. Here is a place where the government could save some money for their taxpayers, at the same time creating better home conditions for their families by letting them use these tax exemptions to the benefit of their families. I would urge the government to give this matter their positive attention.

The speech from the throne also made reference to modern communication, and for this reason another matter that I wish to mention is mail service. Here I address my remarks to the Postmaster General (Mr. Côté). The mail service between Toronto and Picton and Toronto and Napanee is very poor and very slow. Many businessmen and professional people in both towns are being inconvenienced by the slowness of our so-called first class mail delivery. The other day in the Picton *Gazette* there was an article dealing with this poor service, and the headline which I thought quite amusing, suggested that the pony express might be faster. This is absolutely true, Mr. Speaker. We in Picton cannot receive a letter or mailed parcel from Toronto in less than two days. A letter or parcel also takes two days from Toronto to Napanee. Optometrists, dentists, doctors and businessmen who send small parcels back and forth to laboratories, government and business offices in Toronto cannot receive these mailed articles in less than two days, and sometimes it takes longer. Only the other day my secretary mailed my personal cheque to me at the end of the month to my home in Napanee, and it took four days for it to come from Ottawa.

• (9:10 p.m.)

I have had many complaints about this from both Napanee and Picton. Yes, Mr. Speaker, the pony express would be faster. I did some homework on this and discovered that in 1840 a man named William Weller, whose headquarters was in Prince Edward county and after whom Weller's Bay was named, an old-time stagecoach proprietor and driver, drove Governor General Lord Sydenham from Toronto to Montreal by stage and team of horses in 35 hours and 40 minutes.

The distance is almost 350 miles. I found, in the library of parliament this book "The Story of Canadian Roads" by Edwin C. Guillet, that in his record breaking trip of 1840 William Weller averaged 10 miles per hour including stops to change horses. Governor General Poulett Thomson, who later became Lord Sydenham had to reach Montreal by a certain time to reprieve a prisoner who had been sentenced to hang. William Weller bet $1,000 that he could cover the distance from Toronto to Montreal in 36 hours—and he did. He made the trip in 20 minutes under the time, completing it in 35 hours and 40 minutes. The prisoner was reprieved, William Weller got his fee, won his bet, and received an engraved watch from the governor general who later was to become Lord Sydenham.

The Picton *Gazette* was right; the pony express would be faster because we get 48 hours delivery from Toronto to Picton and Napanee, whereas William Weller 127 years ago could have brought down the mail by stage coach in 14 hours—and the government says we are living in an affluent age.

Today, in 1967, we cannot get mail from Toronto to go eastward 140 miles—and that is not half the distance Weller had to go by stagecoach—in less than 48 hours. And I point out that the mail comes over the finest roads in the world. The main track of the Grand Trunk Railway, now the Canadian National, running from Toronto or Montreal to Chicago today is the finest railway roadbed in the world. If the mail can come by rail, or over the Macdonald-Cartier freeway, which is about as fine a highway as there is in the world, what is the matter with our mail service? What is the matter with our affluent society?

I have a sample of some letters which I wish to put before the chamber. The one in my hand is written by Dr. A. E. Fyffe, who is a dentist practising in Napanee. He writes as follows:

> Please be informed we are very unhappy with mail service (Toronto) to Napanee.
>
> I hope with your help we can bring this to the attention of the federal authority involved.
>
> Yours truly,
> A. E. Fyffe D.D.S.

He encloses some stamped portions of parcels that have been mailed. One of them was sent out on May 2 and received on May 4, and another one is stamped May 1, and received May 4. It takes from two to three days for the mail to arrive, and we must have better service than that. I say to the Postmaster General: please look into this matter to correct the situation. I am sure the Postmaster General will do that. Both the towns I have mentioned must have one day's service from Toronto. We ought to get mail the day it is mailed in Toronto—that is, should it be mailed in the morning.

I wish to mention another matter pertaining to transport. I recently noted with interest that the Canadian National may curtail some of its transcontinental service and concentrate more on intercity services. This is contrary to the original purpose for which the railways were built. I realize that the transcontinental air service has taken a heavy toll of the transcontinental rail passenger business, but I maintain that the Canadian National must not forsake totally its transcontinental service, as many people in this country will not fly. At least one transcontinental train ought to go each way every day. The intercity passenger business certainly needs improving, and here is where the railway can give a better service than the air lines give.

When one travels from the heart of the city for 15 or 20 miles by taxi to an airport to board an airplane for a 300 mile flight to another city—the journey could be between Ottawa and Toronto, Montreal and Toronto, or even the shorter distance, Ottawa to Montreal—by the time he has taken taxis to and from the airport be might have arrived sooner by rail, going from the heart of one city to the centre of the other.

For that reason I want to talk about the rail service between Ottawa and Toronto, or, say, between Ottawa, Napanee and points west of Napanee on the main line of the Canadian National. For years our rail passenger service on the Canadian National between Toronto and Ottawa has been through Brockville and then northerly over Canadian Pacific tracks to Ottawa. A pool arrangement existed. I wish to tell the Minister of Transport (Mr. Pickersgill) and the Canadian National that the shortest distance by rail from Toronto to Ottawa is through Smiths Falls, through the Smiths Falls subdivision of the Canadian National by way of Harrowsmith, Yarker and Napanee, Napanee being the junction of the Smiths Falls subdivision and the main line of the Canadian National between Toronto and Montreal. The route via Napanee is 70 miles shorter, when travelling between Toronto and Montreal, than the route via Brockville. Now that the Canadian National is interested in intercity rail passenger revenue I urge it to make the necessary

repairs and changes in the Smiths Falls-Napanee line that it may become, as it originally was, the main route from Ottawa to Toronto, and points beyond. Great savings can be made.

The Acting Speaker (Mr. Richard): Order, please. The time allotted to the hon. member has expired.

An hon. Member: Continue.

Mr. Alkenbrack: I have only another paragraph, Mr. Speaker.

The Acting Speaker (Mr. Richard): May the hon. member continue?

Some hon. Members: Agreed.

An hon. Member: Only for one paragraph.

Mr. Alkenbrack: I thank hon. members for their agreement. I had been saying that the shortest route between Ottawa and Toronto by rail is by way of Napanee. In this way—in the way I had spoken of—the railway could increase its intercity business, shorten travelling time, between Ottawa and Toronto, and increase its business at Napanee, which serves a large area for the railway. With the completion this summer of the Quinte skyway, seven miles west of Napanee—this is the new bridge across the bay of Quinte joining Hastings with Prince Edward county—the railway at Napanee ought to obtain additional business from Prince Edward county. Of course that depends on what service is available. I urge the railway to use this line, as it would bring the railway more revenue and provide the people with the service they need—and heaven only knows, dangerous highway traffic would be decreased as would be the death toll through accidents.

I thank you, Mr. Speaker, for the privilege of bringing these matters to the attention of the house. Several other items ought to be brought up, but I shall reserve them for the debate on the budget.

Mr. H. W. Herridge (Kootenay West): I am rising to take part in this debate as one who has had a lifetime interest in the conservation and development of our human and national resources. However, first of all I must compliment the member for Burin-Burgeo (Mr. Jamieson) on his eloquent and moving speech when he moved the address in reply to the speech from the throne, which I notice received repeated applause from all sides of the house.

As I listened to him speak with such knowledge, assurance and conviction, and heard his choice of words and phrases, do you know, Mr. Speaker, I had a vision that inclined me to believe he could have had some part in the composition of the throne speech. Furthermore I congratulate him on his courage to admit that he voted twice against becoming a Canadian, but now, after 18 years within confederation, that he would choose Canadian citizenship over that of any other country on earth. He is what might be termed a convert, as the result of his experience here.

• (9:20 p.m.)

I wish also to compliment the seconder of the address in reply to the speech from the throne on his well informed presentation of the problems of the rural community.

I was particularly interested in his plea to members of this house not to use the farmer as a political football. That is a very noble precept but I am afraid, after 22 years experience in this house, that the hon. member is underestimating the human frailty of members of parliament, who can be tempted on occasions to use any issue as a political issue. I have known this to happen on two or three occasions in 22 years.

The contents of the speech from the throne provide some hope that the government intends to introduce legislation which will be of advantage to Canadian people as a whole and particularly to the advantage of our older people who require an adequate standard of living, of those who require housing, of our farmers who seek parity of income, and of young people who require education, and others who need retraining. Without doubt, in my opinion, the speech from the throne offers a great opportunity for the exercise of imagination on the part of members of the opposition.

I must say I was very disappointed that there was no reference in the speech to veterans affairs and no mention of proposals for amendments to legislation which would be of benefit to veterans and their dependants. In this connection I have solid support. I listened with great interest to the speech made by the hon. member for Beauharnois-Salaberry (Mr. Laniel) who is the chairman of the standing committee on veterans affairs, a highly respected member of this house. I will not repeat what he said. I will merely say I endorse wholeheartedly what he said in this house on May 17 with respect to the omission of any reference to veterans affairs from the speech

from the throne. He went on to deal with the need for amendments to legislation which would provide higher incomes for pensioners and improved allowances for recipients of war veterans allowances. I also wish to endorse what he had to say about the Wood committee. I know some members are impatient about the time taken by that committee in making its report, but it has been very thorough in its study.

I must say that the chairman of the Wood committee is highly respected by veterans in this country. He and his colleagues have heard a great deal of evidence, some of it in recent weeks, and I am glad to know that they are giving such careful consideration to the representations made to them. I do not mind this committee taking a little extra time, because the veterans and their organizations are confident that it will present an excellent report when the time comes to bring it forward.

I notice one curious omission from the throne speech—the total absence of any item announcing the government's intention to establish in Canada the office of ombudsman. This was mentioned in the speech from the throne of 1965 and I trust it will be brought forward later after we have disposed of some of the more urgent legislation. I know that members of this group as well as of other parties in the house are of the opinion that a measure to set up this office should be introduced as soon as possible, because of the changing nature of our society, to protect the individual and his civil rights.

I was delighted with the paragraph referring to natural resources and pleased to note that measures will be introduced to preserve and conserve them. We look forward to the introduction of that legislation. I was also pleased to note that we shall be asked to approve a new Canada water act which will provide a framework for the improvement and implementation of a Canada water policy. Having said this, I think that in fairness to the people of Canada and to the members of this house the government should announce its order of business in the immediate future so as to give priority to the more pressing needs which concern the people of this country today.

I intend to deal with the conservation and development of our natural resources, in the firm conviction that we can only maintain and improve our standard of living if governments direct their attention to this question now. There is no time for delay. I am not only expressing my personal views; I am speaking on behalf of large groups in this country which are deeply concerned about this subject—one which I have followed closely in this country, particularly during the last four or five years.

I also wish to deal with the present state of affairs as far as our natural resources are concerned and to indicate our failure to protect them in Canada to date. It may surprise you, Mr. Speaker, but I wish to direct your attention to the Columbia river treaty and to what has happened so far. In this connection political selfishness and public apathy at the time made this treaty the biggest give-away yet of Canada's natural resources, and the propaganda by which two governments tried to justify this action has turned a fiasco into an international blunder. The present treaty is a monumental blow to Canada's independence as far as the protection of our water resources is concerned. I trust we shall not forget this expensive lesson and that we shall take action in the immediate future to correct our former sins.

Before going further I wish to take the first opportunity I have had in a debate of this kind to pay a tribute to the late General McNaughton. In this connection I will simply quote one paragraph from a C.B.C. broadcast on September 11, 1966 in the course of which Mr. J. Frank Willis said:

> The editorial tribute of Mr. Michael Barkway to the memory of General McNaughton was one of many such tributes to appear in Canada's press in the days which followed his death. To the hundreds of Canadians who were privileged to know him, that death was a personal loss and they were aware of that loss in all its human dimensions. But they were also aware that every Canadian living—whether they only knew of him or had never heard of him at all—had suffered a kind of loss of which they were not aware. For in General McNaughton's passing Canada suffered the loss of one of her greatest sons and one of her greatest defenders.

I only wish that General McNaughton was with us now and able to realize that the arguments he so courageously put forward in opposition to the Columbia river treaty have been proven correct. They will prove even more justified as time goes by.

I am sure there are many in this house who knew General McNaughton personally. I enjoyed a close personal acquaintance with him over a long period of years. I wish he was with us at this time.

I wish to deal with a number of matters in this connection, first of all the greatly increased cost of Columbia river projects to date, and the anticipated further increase in the months ahead. I have not time to place on record the correspondence I have had from engineers—in some cases I would not be allowed to use their names—but it is obvious now that Columbia river treaty projects and flowage costs will exceed by some $200 million the amount the government of British Columbia received from the United States in payment for these projects, that is to say $343 millions for 30 years, including $64 million for flood control protection.

• (9:30 p.m.)

I have a quotation here from the *Engineering and Contract Record* of December, 1966, which reads:

> Two years ago, when B.C. Premier Bennett sold the Canadian half of the Columbia river to the U.S. for $343 million, the chairman of B.C. Hydro called it the greatest deal in Canadian history. He said that, even after building the storage dams required by the Americans under the treaty, there would be a profit to B.C. of $54 million.
>
> In two short years, the great deal has turned into a financial nightmare. After the September election, Bennett dropped the bombshell. Not only had the profit evaporated, but B.C. will need $200 million extra to finish the job. It's beginning to look as if Canada not only gave away the river, but will pay a quarter of a billion dollars for the privilege of doing so.

Then I come to the second matter which concerns us, the tremendous increase in power which is going to be produced at Grand Coulee dam in the United States as a result of new generators being put in the dam since the treaty was signed. Since learning of the increasing costs of these projects in Canada, we now have this additional shock.

We made a treaty which provided for Canada receiving advance payment for a million kilowatts of power for 30 years. Now we are advised that they are going to increase the output at Grand Coulee to 9.2 million kilowatts per annum, and in that connection I want to quote from a few newspaper articles which I have here. The first is a Washington dispatch of the Canadian Press headed, "Grand Coulee Dam Project Will Bring Back World Title." It reads:

> A massive expansion of the Grand Coulee dam in Washington state was announced Friday to take full advantage of the Columbia river agreement with Canada.
>
> Interior Secretary Stewart Udall said the estimated $390 million cost will return to Grand Coulee the title now held in the Soviet Union of the world's largest dam.

I have another one here from the *Business and Finance Weekly* of Saturday, January 14, 1967, an article by Mr. Bruce Macdonald, who writes:

> Largely as a result of water storage facilities provided by Canada under the Columbia river treaty, the power-generating capacity of Grand Coulee dam in Washington state will be increased from the present level of almost two million kilowatts to a proposed output in the nineteen ninties of 9.2 million kilowatts, making the Grand Coulee the largest power dam in the world.

Then he goes on to say how Secretary Udall is taking advantage of the Columbia river treaty signed with Canada.

I have another quotation here from the Nelson *Daily News* of January 28, 1966, which reads:

> A Columbia River water congress for the northwest United States will be held April 1 and 2 in Wenatchee, Washington, it has been announced.

It goes on:

> We can no longer sit idly by on the banks of the great Columbia river and allow the politicking and conniving in the southwest to continue without raising our voice ... A year ago a reclamation spokesman, who preferred to remain anonymous, said it is entirely possible that as much as 15 million acre-feet of water could be diverted annually from the Columbia to the Colorado, more than doubling the Colorado's flow.

That 15 million acre feet is just the amount of storage in Canada provided by the treaty at this time.

Later we go on to find out that we have not received a cent from the United States for the water used for irrigation. Just before General McNaughton died he wrote about this. I do not have the figures here but I have his letter in my office, and these figures show that as the result of the sale of Columbia river water for industrial and irrigation purposes, for instance as the result of transfer from one river to another at a minimum of $10 per acre foot, Canada at this time should have received $40 million a year from the United States under the treaty, but we have not received a cent.

To point out the situation further I have to review briefly the losses that have occurred. We have lost many thousands of acres of good land and timber in the Columbia river basin because of this flooding. I hope that the remaining land and foreshore which can be preserved after the flood has arrived, will be sold to Canadians and not to United States purchasers, but I have got copies of letters written by the B.C. Hydro Commission to intending purchasers in the United States stating that as soon as the land has first been bought from Canadians they will let them

know what they have for sale to these people in the United States who want to purchase foreshore property.

I do not blame these people in the United States for writing, because this will be a tremendous recreational area; but I do make a plea that every effort be made on the part of this government, in so far as it has any influence on this question at the present time, to make certain Canadians have the first opportunity to purchase their own natural resources before they are sold to citizens of the United States.

We have lost 50 miles of beaches on the Arrow Lakes between Castlegar and Revelstoke, of a tremendous recreational value which we hope will be restored to some extent as the result of the expenditure of large amounts of money. In the immediate years ahead we will have lost opportunities for development of the tourist industry because in the past tourists were delighted to come to our area to use these magnificent beaches which are now being destroyed.

There is also tremendous damage to sport fishing in the area between Castlegar and Revelstoke. This is admitted in a report made by the wildlife branch of the government of the province of British Columbia.

Before going on I want to mention the attitude of some people in connection with this project. I am going to quote briefly from a broadcast on a C.B.C. television program made by William S. Foster, editor of "The American City", speaking on the implications of water export, on April 11, 1966. Mr. Foster had this to say:

> There's a great deal of risk.

He had been asked what would happen when we sold the water to the United States and decided at a later date that we did not want to continue the sale of the water over a period of time.

> Offhand at first glance, you would say that the risk is great for the southwest because the water belongs to Canada, and presumably if at Canada's wish, it could simply turn off the valve and the water would not be there any more. But there is a more subtle threat than that. I wonder just what would happen to the sovereignty of Canada if a nation like the United States and a nation like Mexico would suddenly say that "you no longer have the right to deny us the water even though you need it in your own industrial and agricultural development." I've often thought about that and wondered what the really long range risks are to Canada, and I think they're considerable.

I think Canadians should ponder that sort of language when it is used by a prominent official in the United States speaking in a C.B.C. broadcast on this issue.

Now I have a few comments to make with respect to some very interesting statements made in recent days by Premier Bennett. I want to quote what he is reported to have said in the Vancouver *Sun* of Thursday, May 11, 1967; but first I want to point out that on December 12, 1961, on a C.B.C. television program Premier Bennett stated that the Columbia river power would be "absolutely free." I want to be fair to Premier Bennett and point out that this article in the *Sun* is a report of an interview with him. It reads:

> Asked Wednesday for his opinion of the treaty, he said: "The treaty missed out. The thing that's at fault in the treaty is that it was signed too quickly."
>
> He blamed federal authorities.
>
> Bennett said the arrangement made with Kaiser Aluminum for a dam on the Arrow Lakes "was three times better than the treaty."
>
> The deal concerned the proposed construction in 1954 by Kaiser Aluminum of a $25 million dam on the Arrow Lakes. It was championed by former lands minister Robert Sommers.

This is what the premier now says after eulogizing the present treaty at the time it was before the committee and at the time of his signing of the protocol out west. It indicates shall I say, how inaccurate Premier Bennett is.

I now want to quote from the minutes of the standing committee on external affairs dealing with the Columbia river protocol, volume 6, page 316:

> • (9:40 p.m.)
>
> Mr. Davis: In other words, at the time Canada signed the treaty, financial feasibility had not been determined. Are you confident now that the projects under the treaty are financially feasible?

Mr. Williston, who is minister of lands and forests of British Columbia, replied:

> Absolutely. As a matter of fact we think at the present time it is the most attractive series of projects available anywhere on the North American continent.

Then at page 319 of volume 6 I asked this question:

> I have another supplementary question on that. In view of the experience with the British Columbia Hydro and Power Authority which over a considerable period of years has exceeded its estimates by an average of 50 per cent, can you guarantee that these estimates are reasonably close?
>
> Mr. Williston: I can guarantee nothing except I guarantee that in latter years the statement you made concerning the hydro estimates is incorrect.
>
> Mr. Herridge: We can give the figures.
>
> Mr. Williston: I said that over the latter years the statement is wrong. I am a director of

hydro now, and during the period in which I have been associated and responsible that has not happened yet on one occasion. I am dealing with the present, not the past.

We are now in the present day and are dealing with the past of the last two years. Then at page 328 of volume 6 I said:

First of all, I do want to credit the minister with what I would term a very smooth presentation yesterday. I remember during the hearings on the Kaiser dam in 1955 the minister's colleague, who is sitting beside him, made a very excellent presentation at that time and was complimented from all sides; it was a presentation in support of the Kaiser dam. I remember at the time Mr. Paget—

He is the water controller in British Columbia.

—gave evidence as being opposed to flooding High Arrow dam, and things of that sort. That was very convincing to some people.

Would the minister say in view of the experience the government has gained since that time, that the government's representatives were wrong on that occasion in promoting the Kaiser dam?

Mr. Williston replied:

No, I would not say they were wrong. I would say that in any given set of circumstances in which you make a decision, you take the circumstances which are before you at the time and make a decision accordingly; and that the circumstances which were before the committee, the group, and the government of the day, were such that I support the decision and I think they made the right decision at the time.

Mr. Herridge: They said it was the best way to develop the Columbia river at that time.

Mr. Williston: And that is right, at that time.

Mr. Herridge: What has caused you to change your opinion?

Mr. Williston: Ten years and a profoundly different attitude on the part of the United States as a whole in their willingness to commence negotiations on the jointly beneficial projects for the river.

The following appears at page 336 of volume 6:

Mr. Williston: I state most positively that the treaty we have succeeded in negotiating is the best possible treaty that could have been negotiated under the present circumstances. I will go further than that and say that it is a better treaty than I thought we were going to be able to negotiate as time passed.

Is not that a contradiction of Mr. Bennett's recent statement blaming the federal government in his matter because they signed the treaty too hurriedly? Of course, Mr. Bennett is referring to the Secretary of State for External Affairs (Mr. Martin) who we admit is not a well known engineer in Canada, although he is quite well known as a military man. He is honorary colonel of a regiment, but I do not think he would pretend to be an engineer and he had to take the advice of the engineers in Ottawa.

Later we were told we would have no opportunity to change the treaty in any way; we were simply there to hear witnesses, make a report to the house and could not change the treaty in any form whatsoever. Then further consideration was given to this matter in view of the excessive costs. After hearing Premier Bennett's statement with respect to the haste of the federal government, I asked the Minister of Energy, Mines and Resources (Mr. Pepin) the following question as reported in *Hansard* of May 12, 1967, at page 132:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Energy, Mines and Resources in very appropriate circumstances.

The appropriate circumstances were that United States senators were seated in the gallery and were, of course, very interested in this question. I know that Senator Aitken was interested in it. I asked:

In view of the definite reports that expenditures under the Columbia river treaty will exceed the amount received by the government of British Columbia by over $200 million, will the minister consider referring this treaty to the appropriate committee so it can be examined again and the committee can hear officials as well as persons who would like to make representations?

This is the reply of the Minister of Energy, Mines and Resources:

This matter has now become the exclusive responsibility of the government of British Columbia. Only last week I was assured that that government could take care of the situation without help from anybody. I would add that because of the fact that some of these dams will be completed earlier than the date foreseen in the agreement, there will be added benefits which will help compensate for some of the increased costs.

That was the minister's hope. I went on to ask a supplementary question as follows:

May I ask a supplementary question. Does the minister realize that this treaty was strongly recommended to the committee by the Secretary of State for External Affairs?

I ask, Mr. Speaker: Can the minister say that the federal government has no further responsibility? First, what about the responsibility of the federal government, with the United States, to make certain that the treaty is implemented? The government has this solemn obligation as a result of its signature. What about the millions of dollars spent by the federal government because of the financial arrangements, the loss of exchange and things of that sort? What about the annual

cost of the Canadian members on the Columbia joint engineering board?

I think it is completely absurd for the minister to suggest that the federal government has no further responsibility in respect to this treaty. After all the statements made by the Secretary of State for External Affairs before the external affairs committee on this issue, and regardless of Canada's commitment in the treaty to make certain that its provisions are carried out by the government of British Columbia, the minister states that this matter has now become the exclusive responsibility of the government of British Columbia. I think the government has a definite responsibility in this regard and I am sure this can be proven to the satisfaction of anyone.

Mr. Speaker, I see that you are perhaps becoming impatient. Before concluding I want to deal with the question of air and water pollution, which is of great concern to many organizations in this country, which I will not name at this time. This matter was raised at the resources for tomorrow conference held in Montreal in 1961, largely out of recognition of the fact that more needed to be done in the public development of national resources and that any bold steps would require a new approach to federal-provincial and interprovincial relations in this area.

As a result of the national conference on pollution and the environment held at the end of last year, certain guide lines were laid down. I have not time to deal with them now. But this is a matter of urgent concern when we consider the condition of the waters in eastern Canada, some of the waters in western Canada, and in a few cases in British Columbia.

The tone of the entire conference was that solutions must be sought within existing governmental frameworks. In my opinion the federal government should take a strong lead on this question of water and air pollution and the public must be sufficiently aroused about the chronic hazards that prevail to get participation and co-operation from all levels of government, farmers organizations, labour organizations, wildlife groups, women's organizations and all those interested.

In concluding, Mr. Speaker, I wish to make a few proposals: First of all, that the Columbia river treaty be brought before an appropriate committee for study and the hearing of witnesses who are competent to deal with all aspects of the treaty, and have expressed their willingness to attend. There are a good number of them. I think the Secretary of State for External Affairs should work to obtain more compensation for British Columbia on account of the unexpected increase in power being produced at Grand Coulee, and any other increased costs.

We trust the government will soon introduce legislation with respect to natural resources and particularly the proposed new Canada water act. There is a widespread demand for this government to establish a national water policy. If we place any value on the needs of future generations, we must be prepared to provide the funds to undertake a well planned program, in co-operation with the provinces, to deal with water and air pollution in Canada.

How are we going to meet the increased expenditure on the conservation and development of our human and natural resources?

Mr. Speaker: Order, please. I have to interrupt the hon. member as his time as expired.

• (9:50 p.m.)

Mr. Herridge: Mr. Speaker, I only require a minute or two to conclude my most cryptic remarks, and I realize that this is a vast topic to deal with in such a short time.

These costs are divided into two categories, those required to carry on the housekeeping expenses of protecting our human and natural resources in Canada—administrative costs from day to day—and those requiring investment of social capital in both instances.

We must be prepared, if we support these programs, to support any increase in taxation required to carry on the day to day administration of legislation related to the conservation and development of both our human and natural resources. In respect of current expenditures I suggest we could save possibly $500 million by withdrawing our troops from NATO and discontinuing our NORAD agreement.

So far as social capital investment is concerned, I suggest we use the Bank of Canada to a greater extent. This will give us a great opportunity also to use the Canada development fund. We could provide grants to municipalities for social investment to meet pollution problems, and tax incentives to industries which will co-operate with all levels of government in order to deal with water and air pollution. Let us learn from our mistakes by taking action now to protect Canada's natural resources from this time on.

[*Translation*]

Mr. René Émard (Vaudreuil-Soulanges): Mr. Speaker, Canada is confronted with many economic problems; the methods of production are developing rapidly; our government must appropriate a greater share of its budget to the implementation of welfare measures. We live in a capitalistic system whose philosophy is outdated, and nobody seems to want to reconsider it. However, that study has already been made and I am a little surprised to see that it has not been a subject for study in this parliament.

It has appeared in two books entitled: *Le Manifeste capitaliste* and *The New Capitalists* of Louis-O. Kelso and Mortimer J. Adler. *The New Capitalist* has not yet been translated in French.

Several influential businessmen have popularized those theories and I think that their suggestions could be useful, to us also from the province of Quebec.

The *Manifeste capitalist* sets out the doctrinal and economic meaning of the basic principles of a just theory on capitalism, as conceived by the authors, Messrs. Kelso and Adler, and which leads to nothing less than a capitalist revolution.

Democracy in its political form cannot exist unless certain economic conditions are ideal for freedom and equality for all. Men cannot enjoy freedom in the political sphere if they are deprived of it in the economic sphere.

According to the authors, if the defenders of capitalism have shown that communism was the enemy of political freedom and equality, they have offered no practical program for a classless society based upon economic equality. They have not met the challenge of the communist revolution in suggesting a capitalist revolution which, by applying the true principles of capitalism, would establish the economic democracy we need as a basis for the political democracy.

According to Mr. Kelso's theory, capitalism, developing according to its very principles and without admixture of socialism, could create a free and classless society on which political democracy could be based and through which the institutions of a free society could be preserved.

This concept of capitalism is the only alternative to communism, for our partly socialist capitalism is an unstable mixture of principles. Provided one has some sense of justice or attachment to the democratic idea, one could not wish to revert to primitive socialism, according to Mr. Adler.

No mind with any sense of the scientific and industrial revolution which is hardly beginning and which will have transformed our society within one hundred years, could consider our partly capitalist and partly socialist economic system as a system capable of staying in balance between these two opposing forces.

One of these two forces is socialization and the reduction of rights of capital ownership. The other is the effort to preserve the traces of rights of capital ownership. If one gives in to the first of these forces, one is led to the socialist and the communist revolution. If the other force is accepted through the development of the full potential of the rights of private ownership of capital and through the establishment of a harmonious relationship between these rights and the principles of economic justice, one is led to the ideal situation which will be the result of the capitalist revolution.

The author believes that the capitalist revolution will bring to all men liberty as well as equality. It will make economic activity dependant upon political activity, and it will give the control of material riches to the government of man.

The capitalist manifesto does not proceed from a revolutionary party whose self-imposed duty is to overthrow the existing order. Quite to the contrary, its aim is to emphasize, in the present economic system, the reasons required to give it a new life and to find the basis of a better society wished by all.

Mr. Kelso wishes for a revolution within capitalism, because according to him, even though no baleful darkness is sweeping down upon America, all forms of socialism are coming in through the back door.

The author is wishing for a capitalist revolution and explains that unadulterated capitalism, that is, capitalism untinged with socialism, is the only economic system consistent with a democracy. Finally, he attempts to prove that we are very far from having such an economic system and that we do not have yet a clear concept of what that system should be. What is praised under the name of "capitalism of the people" is a mixture of capitalism and socialism. If the phenomenon of socialization continues to gain ground with the considerable technological improvements which have now become possible, we will move ever closer to socialism, that is state

socialism. Nothing can stop that movement forward unless it is a capitalist revolution.

That revolution is justified by the author in these terms, and I quote:

> Industrial economy, that is capitalism, will always exist in one form or another. The industrial production of wealth is an established fact in our economy. The same goes for the disappearance of classes in our society. What we may chose is the form these events will take. For we have a choice.

The totalitarian state, with its population of puppets, writes Mr. Kelso, is not the unavoidable form which a classless society can take, not any more than state capitalism is the unavoidable form that the industrial economy must adopt.

Having stated that capitalism must exist, the author adds that we must choose between three, and only three, solutions. But the choice boils down, in fact, to two possibilities, since it is quite unlikely that the people of the free world would want to exchange their way of life for that of Soviet Russia.

We can decide to perpetuate the mixed capitalism we created in the last twenty-five years, hoping that it will last in spite of the dangers inherent in it, or else we can get rid of the contradictory elements of that socialized economic system which slowly push it towards state capitalism. The principles of justice which would contribute to the development of pure capitalism would take their place. In other words, we must choose between the status quo and the capitalist revolution.

The need for a capitalist revolution should be obvious to all those who understand the principle of a just economy and who see that the constitution of such capitalist economy is essential to economic freedom and political democracy.

According to Mr. Kelso, it is right and unquestionable to say that capitalism is our only alternative. Such affirmation would be purely academic if a practical scheme could not be applied to arrive at the expected results. The idea that capitalism is the only appropriate structure for an industrial economy and the economic counterpart of democracy, deserves the sustained attention of the public only to the extent that academic truth can be matched with a practical scheme.

In his book, Mr. Kelso emphasizes in particular the measures intended to encourage a greater participation of the individual in capital investments. To the profit-sharing method which is widespread, according to him, the various and most universal pension plans in effect today must be added.

Mr. Speaker: Order. I must interrupt the hon. member.

• (10:00 p.m.)

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

AIR TRANSPORT—REQUEST FOR BAN ON USE OF HIGHLY INFLAMMABLE FUEL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Friday, April 21, and again on Wednesday, May 10, I put the following question to the Minister of Transport (Mr. Pickersgill):

> In view of the request of the International Transport Workers Federation that jet air lines be prohibited from using JP4 because of the high inflammability of this fuel, is the minister considering taking steps to ban the use of this fuel by Canadian air lines?

In reply to my question, when I asked it on May 10, the Minister of Transport said that consideration was not being given to my request because, as he said, the opinion contained in my question was not supported by such scientific evidence as was available. I put the question down for one of these late shows because of the considerable public interest that I find there is in it, and because I felt a more extensive statement would be desirable.

Everyone knows that the efficiency of our air lines is at a very high level, and yet there are times when accidents do take place. When they do occur, there are occasions when the most serious result is from the fire that follows a crash. As I understand it, those who are interested in this matter feel that the possibility of such fires could be reduced if the fuel used by jet airliners were of lower inflammability than is the case with JP4, which I understand is used in Canada and is certainly used by our own air line, Air Canada.

The International Transport Workers Federation, to which I have referred in my question, set up a special committee to study this matter. That committee reported that JP4, which is 8 per cent cheaper than the paraffin used by most air lines, is far more dangerous, due to its high inflammability. I understand that only four of the world's airlines use it at present, namely Air Canada,

KLM, Sabena and Japan Airlines. I also understand that the use of JP4 has been banned in at least some countries.

The Minister of Transport referred the other day to scientific evidence. In other words I gather the matter has been given some study. But such evidence as I have indicates that the men who fly the planes, as represented by the study and the thinking of their organizations, are concerned.

I am sure that we all share with them the desire that the danger of fire following the crash of an airplane might be reduced to as low a point as possible. If the fuel that is being used by Air Canada today is less expensive than some other fuel, while one would hesitate to object to any attempt to economize, if by using a less expensive fuel we are running a greater risk, then it seems to me this is a poor policy. If there is any possibility at all of reducing this kind of risk, we should be all for it, and I hope that the parliamentary scretary who is going to answer for the minister tonight will indicate that this whole question will be given further study.

If there were any way to do so I should like to transfer the rest of my time to my colleague, the hon. member for Lisgar (Mr. Muir), who has a very important question. But I know that I cannot do that. I trust I may now anticipate a hopeful answer from my hon. friend, the parliamentary secretary.

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I should like to express through you to the hon. member for Winnipeg North Centre the regrets of the Minister of Transport on his inability to be here tonight to answer this important question.

The answer to the question as to whether the government is considering banning the use of JP4 fuel can be put very simply. The brief answer is no. JP4 fuel, however, is frequently under study. There were extensive studies made right after the war into the inflammability of this jet engine fuel and its vulnerability in terms of explosiveness during crashes and incidents of that kind. It was decided then, and it has been decided on subsequent occasions, when the explosive nature of these alternative fuels has been under study, that JP4 fuel is as safe as any alternative fuel that can be used for jet engine purposes.

I have personally made a few inquiries this evening about the use of JP4 fuel. I was told that a number of air lines, in fact the majority of world airlines, use JP4 fuel. Under certain conditions it is safer than parafin, basically kerosene, which is used by some of the other air lines. On other occasions it is less safe. However, it is the total range of conditions which must be considered, particularly conditions under which jet aircraft fly in this country. In other words this situation has been reviewed carefully. It is being reviewed from time to time and will be reviewed again as new fuels are developed and as circumstances change.

HEALTH AND WELFARE—INCLUSION OF ADDITIONAL SERVICES UNDER PROVINCIAL PLANS

Mr. George Muir (Lisgar): On April 19, Mr. Speaker, the Minister of National Health and Welfare (Mr. MacEachen) gave an answer to an hon. member on orders of the day with regard to additional health services. I am very pleased that the minister has done me the honour this evening of staying here for the late show to give me a further answer. The question the hon. gentleman asked was, in effect, what procedure is going to be used in providing additional health services by the provinces to the national health plan. In his reply the minister said, in part:

> The method of adding further health services to the health plan has been set out in the bill. The attitude the government of Canada took at the conference—

That is the conference between provincial and federal authorities.

> —was that when a consensus developed amongst the provinces as to the importance of further services, the government would consider adding those services to the plan.

His answer is a little longer than that, but that is the relevant part of it. Now, I believe we should take a look at the relevant clause in the bill. The minister will find there is nothing in that clause relating to a consensus of the provinces before further services can be added to the health plan. As a matter of fact, the relevant clause in the bill reads in part as follows:

> In the application of this act to a plan established by an act of the legislature of a province, any health service of a kind prescribed by the minister to be required health services rendered by a person lawfully entitled to render such services . . . under such terms and conditions as may be specified by the governor in council—

As you will see, there is no reference there to a consensus and the reference is to the province, in the singular. It is evident that a

single province may, under an act of its legislature and of course in agreement with the minister and the governor in council, add any additional service.

• (10:10 p.m.)

During committee study of this bill many opposition members asked the minister as to whether any single province could set up additional health services. There are too many questions of this sort to name this evening those who posed them, but as an example of the kind of question that was asked I would refer the minister to page 10765 of *Hansard* for December 6, 1966. An hon. member said:

> I take it this means that the governor in council, on the recommendation of the minister, can extend paramedical services in a plan in a particular province even though other provinces have not asked for a similar extension. In other words, the minister would be free, under this amendment, to accede to the request of a particular province that wanted to add to the services which are provided under this legislation, and it would not have to wait until a majority or a specified number of provinces, indicated their desire to have these paramedical services included.

He ends by saying:

> I hope the minister's interpretation is the same as my own, namely that any province will be able to go ahead with providing additional services, provided of course that the minister and the governor in council agree.

We in the opposition who supported an amendment on the strength of the minister's statement that any one of a number of provinces could make available additional health services are deeply concerned at the apparent reversal of government policy and the stand taken by the minister. We would expect the minister to reaffirm the undertaking that he gave to the committee at that time, that a general consensus of the provinces is not necessary to initiate additional health services.

I hope that the minister in his reply this evening will not repudiate the commitment that he made during the discussion of the bill, a commitment that was accepted in good faith by all members of the house. When the vote on an amendment to clause 4 (3), which is the relevant amendment, was taken it was supported by all members of the house, I think mainly because of the commitment that was made.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, there are really two aspects to the question raised by the hon. member. The first has to do with the amendment, which is a matter of law. It is a

[Mr. Muir (Lisgar).]

fact that the governor in council would have the authority under the amendment to make available additional services, and to make such services shareable under the medical care act, even if a single province added such a service to its provincial plan. That is a correct interpretation, and in my reply to the question that had been put in committee, which asked whether the government would be free under this amendment to accept additional services if provided by a single province only, I said it would, and that is the case. That is the question of law.

The policy has been unchanged from the beginning. It was set forth first by the Prime Minister, that any province on its own was free to add further services—and can still do so—but without any sharing feature. The Prime Minister went on to say that when a consensus developed among the provinces for the inclusion under the medical care program of any additional services, the government was prepared to consider any extensions. I made that clear in the course of the debate. I recall that I stated that the only recommendation that I expected to make and that I would make under the amendment that had been passed was with respect to certain surgical procedures performed in hospitals by dental surgeons.

My hon. friend's interpretation of the law is quite correct. I confirmed in committee that that capacity is conferred on the governor in council. The question of policy has to do with consensus. When a consensus develops among the provinces for the addition of further services, they will be considered by the government.

[*Translation*]

NATIONAL DEFENCE—QUEBEC—COMPLAINTS OF PROPERTY DAMAGE CAUSED BY AIRCRAFT

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to deal with the question I asked the Minister of National Defence (Mr. Hellyer), namely whether the minister was aware of the many complaints made against the military manoeuvres going on at the Bagotville military base, during which airplanes break the sound barrier, thus causing real damage on farms and even in the cities. Everyone wonders why the Department of National Defence selected that part of the country to give free rein to the wild antics of certain pilots. Indeed, Mr. Speaker, the Lake St. John area, which is 80 per cent agricultural, was once very peaceful, and farmers lived there under a glorious sun.

Since the government established this notorious Bagotville base, the people, apart from living under a heap of clouds, are possessed with fear on account of the hedge-hopping supersonic aircraft. Those planes startle dairy cows to the point of causing losses to their owners. The flyers' madness is such that they break the sound barrier, shattering windows all around.

Mr. Speaker, I suffered myself from that since the window panes in my store were shattered to pieces, which caused a great deal of damage.

You may say that we can lodge complaints, but just wait and see. As a matter of fact, once we are through answering their questions, they always find some way or another to tell us that the air force is not to blame and that the flyers never broke the sound barrier at such an hour, such a minute and such a second.

Well, Mr. Speaker, I think we have numerous proofs of that and so as to give you an example I brought here a letter from a good farmer, it may not be written in perfect French, but I want to read it just the same, to show that what I am saying is true.

I hereby take the liberty of writing to you about something which aggrieves us in the Lake St. John area. There are thousands of us in the same boat. This is due to the fact that the jet planes from Bagotville fly over the region of Roberval making an infernal noise by flying at times at altitudes of 800 feet. When they exceed the speed of sound, there is such an explosion that the earth shakes, windows break, and livestock are so frightened that they pile up in corners, in pigsties, in hen-houses. We lose animals every day. Everybody is nervous and we are sick and tired of those infernal machines; we ask the hon. minister concerned to kindly do something about it.

Mr. Speaker, I see that the minister concerned is not here but we do have the honour of having with us the hon. Minister of National Health and Welfare (Mr. MacEachen), and I believe that this is also important from the point of view of health.

I wonder whether we will be forced to put up much longer with the actions of these lunatics who play with million-dollar toys paid with farmers' taxes.

There should be enough space in the uninhabited territories in northern Quebec to leave alone a farming area as the Lake St. John valley.

And what about the nuclear bombs and warheads which the government stored in Bagotville, despite the farmers' protests.

I, therefore, ask the Minister of National Health and Welfare, since the Minister of National Defence is not here and does not want to bother about it, to try to do something for the public health and free us from this nightmare which is the bane of our farmers.

[*English*]

• (10:20 p.m.)

Hon. A. J. MacEachen (Minister of National Health and Welfare): I regret that the Minister of National Defence is unavoidably absent this evening, but I have listened with great interest to the remarks made by the hon. member for Roberval. I should like to reply to his question by saying that it is the practice of the Department of National Defence to conduct military manoeuvres away from the populated areas of Canada.

According to the information I have received, there has been no over-all increase in flying training exercises carried out from the Canadian Forces base at Bagotville. Both the authorities at Canadian Forces headquarters and the authorities at Canadian Forces base, Bagotville are unaware of any recent complaints from civilians in that area. Any complaints from the civilian population in the area receive the personal attention of the commanding officer of the base. Additionally, Canadian Forces headquarters is informed by a message and a letter outlining the complaint and the action that is proposed to be taken by base authorities.

I would suggest that the hon. member, who has given details with regard to incidents in the area, might pursue the matter by direct contact with the commanding officer. Undoubtedly the Minister of National Defence will be examining the reports made and undoubtedly he will take some action.

Motion agreed to and the house adjourned at 10.25 p.m.

HOUSE OF COMMONS

Friday, May 19, 1967

The house met at 11 a.m.

TRADE

MEETING IN MONTREAL OF U.S.-CANADA MINISTERIAL COMMITTEE

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the joint Canada-United States ministerial committee on trade and economic affairs which was established in November, 1953 normally meets every year, alternately in Canada and the United States. It has now been agreed that the committee, which held its last meeting in Washington on March 4, 1966, will meet again from June 20 to June 22 in Montreal. The United States representatives will be the guests of the Canadian government at Expo '67 on June 20.

The Canadian delegation is chaired by the Secretary of State for External Affairs (Mr. Martin) and normally includes the Ministers of Trade and Commerce, Finance, Industry, Energy, Mines and Resources, and Agriculture. The United States delegation is normally led by the Secretary of State and generally includes the Secretaries of the Treasury, Agriculture, Commerce and the Interior.

As in the past this meeting will provide a valuable opportunity for ministers of both countries to review economic and trade questions of common interest and concern. Canadian ministers look forward to welcoming their United States colleagues to Montreal at Expo '67 and to having useful discussions with them.

STANDING COMMITTEES

Mr. Bernard Pilon (Chambly-Rouville) presented the report of the special committee appointed May 8, 1967 to prepare and report lists of members to compose the standing committees of the house, as follows:

AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

Messrs.

Asselin (Richmond-Wolfe)
Beer
Berger
Choquette
Clermont
Comtois
Côté (Nicolet-Yamaska)
Crossman
Danforth
Ethier
Faulkner
Forbes
Gauthier
Gendron
Godin
Grills
Herridge
Honey
Hopkins
Horner (Acadia)
Johnston
Jorgenson
Laverdière
Lefebvre
MacDonald (Prince)
McKinley
Moore
Muir (Lisgar)
Neveu
Noble
Nowlan
Olson
Peters
Pugh
Rapp
Ricard
Roxburgh
Schreyer
Stafford
Stefanson
Tucker
Watson (Assiniboia)
Watson (Châteauguay-Huntingdon-Laprairie)
Whelan
Yanakis—45.

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

Messrs.

Béchard
Berger
Brand
Cowan
Davis
Fairweather
Hymmen
Jamieson
Johnston
MacDonald (Prince)
Macquarrie
Mather
McCleave
Nugent
Pelletier
Prittie
Prud'homme
Régimbal
Richard
Sherman
Simard
Stafford
Stanbury
Yanakis—24.

CROWN CORPORATIONS

Messrs.

Addison
Allard
Allmand
Beaulieu
Coates
Comtois
Dionne
Gilbert
Hees
Kindt
Korchinski
Langlois (Chicoutimi)
Lind
Loiselle
MacInnis (Cape Breton South)
McCutcheon
Monteith
Otto
Ryan
Scott (Danforth)
Stafford
Thomas (Maisonneuve-Rosemont)
Wahn
Yanakis—24.

EXTERNAL AFFAIRS

Messrs.

Allmand
Andras
Asselin (Charlevoix)
Brewin
Churchill
Dubé
Faulkner
Forest
Forrestall
Harkness
Klein
Lambert
Laprise
Lind
Macdonald (Rosedale)
Macquarrie
McIntosh
Nesbitt
Pelletier
Pilon
Prud'homme
Stanbury
Thompson
Walker—24.

Standing Committees

FINANCE, TRADE AND ECONOMIC AFFAIRS

Messrs.

Addison
Ballard
Cameron (Nanaimo-Cowichan-The Islands)
Chrétien
Clermont
Flemming
Fulton
Gilbert
Gray
Irvine
Laflamme
Lambert
Latulippe
Leboe
Lind
Macdonald (Rosedale)
Mackasey
McLean (Charlotte)
Monteith
More
Munro
Tremblay
Valade
Wahn—24.

FISHERIES

Messrs.

Barnett
Béchard
Blouin
Bower
Cashin
Chatterton
Chatwood
Crossman
Crouse
Deachman
Groos
Howard
Jamieson
Keays
LeBlanc (Rimouski)
MacLean (Queens)
McLean (Charlotte)
McQuaid
McWilliam
Nowlan
O'Keefe
Patterson
Stefanson
Tucker—24.

HEALTH AND WELFARE

Messrs.

Ballard
Brand
Brown
Cameron (High Park)
Chatterton
Cowan
Enns
Forrestall
Harley
Howe (Wellington-Huron)
Isabelle
Knowles
Laverdière
MacDonald (Prince)
MacInnis (Mrs.) (Vancouver-Kingsway)
Matte
O'Keefe
Orange
Rideout (Mrs.)
Rochon
Rock
Rynard
Simard
Stanbury—24.

HOUSING, URBAN DEVELOPMENT AND PUBLIC WORKS

Messrs.

Allmand
Badanai
Bell (Saint John-Albert)
Cashin
Duquet
Gauthier
Gendron
Gilbert
Gray
Keays
Loiselle
Loney
Macaluso
MacEwan
Martin (Timmins)
Mongrain
Neveu
Nielsen
Pelletier
Ricard
Ryan
Scott (Victoria (Ont.))
Stewart
Watson (Assiniboia)—24.

INDIAN AFFAIRS, HUMAN RIGHTS AND CITIZENSHIP AND IMMIGRATION

Messrs.

Aiken
Alkenbrack
Badanai
Baldwin
Barnett
Bell (Carleton)
Côté (Dorchester)
Crossman
Dinsdale
Duquet
Gundlock
Haidasz
Klein
Langlois (Chicoutimi)
Leblanc (Laurier)
Moore
More
Orange
Orlikow
Prud'homme
Reid
Roxburgh
Skoreyko
Watson (Châteauguay-Huntingdon-Laprairie)—24.

INDUSTRY, RESEARCH AND ENERGY DEVELOPMENT

Messrs.

Addison
Asselin (Richmond-Wolfe)
Beaulieu
Bower
Cashin
Davis
Faulkner
Forest
Fulton
Goyer
Grafftey
Hales
Hymmen
Jamieson
Latulippe
Legault
Lind
McCutcheon
Peters
Reid
Saltsman
Scott (Victoria (Ont.))
Sherman
Wahn—24.

JUSTICE AND LEGAL AFFAIRS

Messrs.

Addison
Aiken
Cameron (High Park)
Cantin
Choquette
Forest
Gilbert
Goyer
Grafftey
Guay
Honey
Latulippe
MacEwan
Mandziuk
McQuaid
Nielsen
Otto
Pugh
Ryan
Scott (Danforth)
Tolmie
Wahn
Whelan
Woolliams—24.

LABOUR AND EMPLOYMENT

Messrs.

Barnett
Clermont
Duquet
Émard
Faulkner
Fulton
Gray
Guay
Hymmen
Johnston
Knowles
Lachance
MacInnis (Cape Breton South)
Mackasey
McCleave
McKinley
McNulty
Muir (Cape Breton North and Victoria)
Racine
Régimbal
Reid
Ricard
Skoreyko
Tardif—24.

LIBRARY OF PARLIAMENT

Mr. Speaker and Messrs.

Allard
Dubé
Enns
Fairweather
Godin
Gordon
Honey
Klein
Macquarrie
Nesbitt
Pelletier
Prittie
Richard
Saltsman
Smith
Stewart
Wadds (Mrs.)
Wahn
Woolliams
Yanakis—21.

MISCELLANEOUS ESTIMATES

Messrs.

Alkenbrack
Asselin (Richmond-Wolfe)
Beaulieu
Côté (Dorchester)
Émard
Ethier
Forbes
Forest
Foy
Godin
Johnston
Kennedy
Leblanc (Laurier)
Lind
MacInnis (Mrs.) (Vancouver-Kingsway)
Matte
McLelland
Ormiston
Pugh
Richard
Roxburgh
Tardif
Watson (Châteauguay-Huntingdon-Laprairie)
Webb—24.

MISCELLANEOUS PRIVATE BILLS

Messrs.

Cadieu (Meadow Lake)
Clermont
Fairweather
Forrestall
Gundlock
Horner (The Battlefords)
Johnston
Lachance
Langlois (Chicoutimi)
Langlois (Mégantic)
Laverdière
Legault
Lessard
Loiselle
Neveu
O'Keefe
Ormiston
Peters
Richard
Smith
Stanbury
Tardif
Webb
Whelan—24.

NATIONAL DEFENCE

Messrs.

Andras
Brewin
Churchill
Deachman
Fane
Forrestall
Foy
Groos
Harkness
Hopkins
Lambert
Langlois (Chicoutimi)
Laniel
Latulippe
Legault
Lessard
Loiselle
Macaluso
McIntosh
McNulty
Nugent
Rochon
Smith
Winch—24.

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Messrs.

Badanai
Barnett
Basford
Beer
Bigg
Côté (Nicolet-Yamaska)
Dinsdale
Gundlock
Habel
Haidasz
Hymmen
Kindt
Laprise
LeBlanc (Rimouski)
Lind
Mather
McWilliam
Neveu
Orange
Simpson
Southam
Tucker
Watson (Assiniboia)
Woolliams—24.

PRINTING

Messrs.

Boulanger
Choquette
Clancy
Code
Cowan
Ethier
Grills
Harley
Irvine
Johnston
Jorgenson
Klein
Laverdière
Leblanc (Laurier)
Loiselle
MacDonald (Prince)
McKinley
Rapp
Richard
Rochon
Saltsman
Simard—22.

PRIVILEGES AND ELECTIONS

Messrs.

Aiken
Béchard
Brewin
Cashin
Crossman
Howard
Hymmen
Korchinski
Lachance
Langlois (Mégantic)
Lessard
Lind
Loiselle
Macquarrie
McWilliam
Mongrain
Munro
Nielsen
Nugent
Prud'homme
Tardif
Thomas (Middlesex West)
Valade
Woolliams—24.

PUBLIC ACCOUNTS

Messrs.

Ballard
Bigg
Cameron (High Park)
Dionne
Flemming
Forbes
Gendron
Hales
Harkness
Leblanc (Laurier)
Lefebvre
McLean (Charlotte)
Morison
Muir (Lisgar)
Noble
Neveu
Schreyer
Southam
Stafford
Tardif
Thomas (Maisonneuve-Rosemont)
Tremblay
Tucker
Winch—24.

RESTAURANT OF PARLIAMENT

Mr. Speaker and

Messrs.

Bigg
Boulanger
Brand
Cantelon
Cowan
Crossman
Crouse
Émard
Grégoire
Hales
Herridge
Horner (The Battlefords)
Johnston
Langlois (Chicoutimi)
Leblanc (Laurier)
Matheson
McNulty
Nesbitt
Noble
Peters
Rock
Tucker
Whelan
Winkler
Yanakis—26.

STANDING ORDERS

Messrs.

Asselin (Richmond-Wolfe)
Baldwin
Bigg
Boulanger
Brown
Churchill
Coates
Duquet
Ethier
Groos
Guay
Gundlock
Habel
Johnston
Langlois (Chicoutimi)
Laniel
LeBlanc (Rimouski)
Loiselle
MacDonald (Prince)
McNulty
Mongrain
Peters
Régimbal
Thomas (Middlesex West)—24.

Standing Committees

TRANSPORT AND COMMUNICATIONS

Messrs.

Andras	Macaluso
Bell (Saint John-Albert)	MacEwan
Byrne	McWilliam
Cantelon	Olson
Clermont	Orlikow
Deachman	Pascoe
Émard	Reid
Groos	Rideout (Mrs.)
Horner (Acadia)	Rock
Howe (Wellington-Huron)	Schreyer
Jamieson	Sherman
Lessard	Southam—24.

VETERANS AFFAIRS

Messrs.

Boulanger	Legault
Chatterton	MacRae
Clancy	Madill
Cowan	Martin (Timmins)
Émard	Matheson
Fane	Morison
Groos	Ormiston
Habel	Rock
Harley	Thomas (Maisonneuve-Rosemont)
Herridge	Tolmie
Kennedy	Webb—24.
Laniel	
Latulippe	

• (11:10 a.m.)

Mr. Pilon moved that the report be concurred in.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I believe that a 48 hour notice or the unanimous consent of the house is required to move for concurrence in this committee report.

Mr. Speaker: Order. Would the hon. member allow me to read the motion? Mr. Pilon, seconded by Mr. Choquette, moves:

That the first report received today from the special committee appointed May 8, 1967 to prepare and report lists of members to compose the standing committees of the house be concurred in now.

Mr. Grégoire: Mr. Speaker, I think that in the circumstances, a 48 hour notice is required for concurrence in the motion. Now, we have not even seen the report. We are being presented the committee report with the list of committee members. I do not know who are the members of the committee, we have not been consulted and we know nothing about that report.

You will remember probably that, last year, two hon. members were discriminated against by the government, since they sat on no committee, while other hon. members were on five or six committees at the same time. Under the circumstances, I think that there should be a notice of 48 hours so that we may

check those lists and know if, this year again, the government has decided to put the hon. member for Sherbrooke (Mr. Allard) and myself, as it did last year, on a black list. I think that unanimous consent is necessary but I am not prepared to give it. I shall request a 48-hour notice.

Mr. Speaker: I am sorry to be unable to agree with the hon. member for Lapointe. The motion of the hon. member for Chambly-Rouville (Mr. Pilon) was moved under standing order No. 65 and it does not require a 48-hour notice, as referred to by the hon. member.

[*English*]

Is it the pleasure of the house to adopt the motion?

[*Translation*]

Mr. Grégoire: Mr. Speaker, would it be possible at least to know the content of the motion? The list of committee members has not even been read, and I suggest it would be well to read at least—

Mr. Speaker: Order. The hon. member has the right to vote against the motion.

[*English*]

Is it the pleasure of the house to adopt the said motion?

[*Translation*]

Mr. Grégoire: On a point of order, Mr. Speaker. Could I ask at least that the motion be read in full, with the list of all committee members?

Mr. Speaker: Order. The motion put forward by the hon. member for Chambly-Rouville has been read in full. Is it the pleasure of the house to adopt the motion?

Mr. Grégoire: No.

Mr. Speaker: On division.

[*English*]

Motion agreed to on division.

Mr. Pilon moved:

That messages be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a joint committee of both houses with respect to the library of parliament, the parliamentary restaurant and the printing of parliament, and that the members to serve on each of the said committees on the part of this house will be as contained in the first report of the special committee presented this day.

Motion agreed to.

PRODUCTS WEIGHTS AND PRICES

PROVISION FOR INDICATION ON AFFIXED LABEL

Mr. Patrick-T. Asselin (Richmond-Wolfe) moved for leave to introduce Bill No. C-116, concerning the weight and price of products.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

VIET NAM—OPPORTUNITY FOR EXPRESSION OF CANADIAN VIEWPOINT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, yesterday I asked the Prime Minister whether he would give consideration to providing an opportunity at once for the introduction in this house of a resolution regarding the Viet Nam situation, and in particular whether such a resolution would call upon the United States to discontinue bombing or, if not, to restrict it to communication roads.

Since yesterday the report is that for the first time in the demilitarized zone there has been warfare, or warfare is expected, because of the presence of both North Vietnamese and the Americans in that area. This adds a very sobering thought as to the possibilities which may arise through escalation of this type.

In view of the further serious developments in that area in the last 24 hours and the necessity of something being done by Canada to make clear the viewpoint held by the elected representatives in parliament, would the Prime Minister not now give an assurance that provision will be made for debate on such a resolution to bring clearly to the notice of the United States and the world our view on such matters before it may become too late?

Right Hon. L. B. Pearson (Prime Minister): Consideration of the suggestion made by the right hon. gentleman yesterday is not yet completed. When it is, I shall be glad to make an announcement to the house at as early a date as possible.

As far as the reference to the demilitarized zone is concerned, it is well known, of course, that the neutrality of that zone has been violated more than once over the years. It has also been stated by this government and by the Secretary of State for External Affairs, specifically I think on April 11, that we would consider it regrettable if that zone were used as a base for operations by troops of either

side, and we would certainly regret any escalation either by the United States or by the other side in that direction.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In asking my supplementary question may I support as strongly as I can the request which has been made by the Leader of the Opposition. We hope the government will agree to it. In the meantime, while the government is considering this matter, may I ask whether any information has been received from the Canadian representatives on the international control commission with regard to the reported bombing in the demilitarized zone, and whether the Canadian government is re-stating its opposition to this course of action?

Mr. Pearson: I believe the Secretary of State for External Affairs made a report yesterday on this matter. We have more than once expressed as a government our opposition to the violation of the demilitarized zone which has been going on now for a great many months, indeed I think for more than a year.

Mr. Diefenbaker: But not to the present extent.

[*Translation*]

EXTERNAL AID

CANADIAN PARTICIPATION IN WORLD BANK LOAN TO PAKISTAN

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the Secretary of State for External Affairs.

A few days ago I put a question to him about the slave camps that apparently exist in Pakistan; I should like to know whether the minister is in a position today to tell us what role Canada is playing at this time in this matter?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, it was my intention to reply to the question asked two days ago by my friend the hon. member for Villeneuve, and I may say that the President of Pakistan and the Governor of Western Pakistan have both given the assurance that they are taking measures to settle this situation; Canada has given Pakistan assurances of our interest. We are convinced that the government, particularly the President, is taking all the necessary measures.

Inquiries of the Ministry

[*English*]

FINANCE

RECOMMENDATION BY TAXATION COMMISSION RESPECTING DEPLETION ALLOWANCES

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I would like to address a question to the Minister of Finance. In view of the recommendation by the Carter commission that the depletion allowances in the oil and mining industries be terminated, and the uncertainty caused to these industries by this overhanging recommendation, does the minister intend to advise the house and the country in the near future of the government's intention in this regard?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have no intention of making any statement about depletion allowances until the government brings forward its proposals, which I hope will be before the end of this year.

EXTERNAL AFFAIRS

MIDDLE EAST—REQUEST FOR STATEMENT ON SITUATION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. In view of the concern which I believe is felt by all members of the house, and I hope by all people throughout the world, regarding developments in the Middle East between the U.A.R. and Israel, I would ask the minister to bring the house up to date on this most important major matter, with respect to Canada and the United States wanting to retain the peace keeping forces and their withdrawing by U Thant, and the position respecting a council meeting. This is of such major importance that I hope the Secretary of State for External Affairs can bring the house up to date as much as possible on this question and on his responsibilities.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I agree with the hon. gentleman that developments as the result of a decision by the government of the United Arab Republic and the consequential action of the Secretary General do create a situation that should engage our serious attention.

Mr. Diefenbaker: That is the understatement of the year.

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): The member nations of the peace keeping force yesterday met with the Secretary General of the United Nations for the second time. He informed them that as the result of a demand made on the commander of the force by the foreign minister of the U.A.R. he had no alternative but to accept the demand that the United Nations emergency force withdraw and that it vacate U.A.R. territory.

At this meeting the ambassador of Canada pointed out that it was the view of the Canadian government that such a decision could only be taken by the security council or the general assembly, and in this case by the general assembly since the force had been established by that body. However, all members contributing to the force did not and do not share this juridical interpretation of the assembly's authority.

It may be recalled that not only did the present Prime Minister, as secretary of state for external affairs in 1957, establish the government's position that the authority of the assembly was required before the force could be disbanded, but this position likewise was taken by the government of my right hon. friend the Leader of the Opposition in June of 1967, when the Canadian ambassador informed the then secretary general that there could be no withdrawal of the force except on the authority of the general assembly.

Mr. Diefenbaker: When was that?

Mr. Martin (Essex East): In June of 1960, when Ambassador Ritchie went to the then secretary general, Dag Hammarskjold, and informed him that the Canadian government could not agree that there should be any withdrawal of the force without the authority of the general assembly.

The Canadian ambassador to the United Nations will be seeing the Secretary General today at noon. I would hope there would be a meeting of the security council as quickly as possible, when this body might take into account the serious situation which has developed. Yesterday I had a talk with the United Arab Republic ambassador, who informed me of the decision of his government. I in turn indicated what was our view as to the authority of the general assembly. Likewise I saw the ambassador of Israel. Before there was a formal indication by the Secretary General that the force had been disbanded I made the suggestion that Israel might give consideration to inviting the force to occupy its territory so the force might continue in being.

In any event, consultations are continuing among the governments concerned at the United Nations and in Ottawa as well as in other capitals. The situation I believe is one which must be scrutinized with the greatest care. The situation now is that the forces of the U.A.R. are occupying the posts along the armistice line formerly occupied by the United Nations patrol which carried on surveillance along the armistice line of 175 miles. So the U.A.R. and Israeli forces now are confronting one another.

In this situation I would hope that all countries concerned would exercise the greatest moderation, particularly in view of the fact that the Secretary General, supported by some countries members of the United Nations force, has taken the position that the force now is no longer in being. The Secretary General will report to the United Nations general assembly today on the action he has taken. There will be an opportunity, of course, for the Canadian government and others to state their position about the withdrawal of the force which, however now regrettably must be regarded as officially disbanded.

Mr. Winch: Mr. Speaker, may I ask a supplementary question. I appreciate the remarks of the minister in trying to give us information, but in view of the fact that everything now is somewhat indecisive and that we face certain eventualities, may I ask the minister whether plans have been laid down by the Department of National Defence, because it is governed by external affairs policy, for a means to withdraw our 800-man Canadian force from the Gaza strip.

Mr. Martin (Essex East): As the Minister of National Defence said yesterday, there are contingency plans and the Department of National Defence now is examining those plans. It must be noted, however, that the force still is physically intact, mainly in or near the Gaza strip. The force commander continues to exercise authority over the force. I can only say that we are taking note of this fact. In particular we will emphasize to the Secretary General today the fact that the force is physically intact and could be used if the parties were willing to give the kind of assurance which existed prior to the action taken yesterday, when it was announced that the force no longer was officially in being.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I am wondering whether the Secretary of State for External Affairs might clarify one point. When he made his reply to the initial question asked by the hon. member for Vancouver East he said, as I understood it, that the other members or most other members of the group of nations supplying troops to the emergency force agreed that the Secretary General and not the general assembly should make the decision concerning whether the force was still in being.

I am not sure whether the minister has said this, but did this group which felt the decision should be left to the Secretary General feel that the security council itself could override the decision of the Secretary General? In other words, is not this decision up to the security council? Second, would the Secretary General—

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member, particularly after the rather lengthy statement by the Secretary of State for External Affairs, but I suggest to hon. members that we return to the question period.

Mr. Nesbitt: Well, with great respect, Your Honour, this is a pretty important matter.

Mr. Speaker: My only suggestion to the hon. member was that he ask his question.

Mr. Nesbitt: Very well, Your Honour. Did those of the group of nations which supplies troops to UNEF who did not agree with the Canadian point of view, agree that the security council and not the Secretary General should be able to make the decision as to whether UNEF should remain in existence? Second, would the Secretary of State for External Affairs recommend that an emergency meeting of the general assembly be held, in view of the position taken by the Secretary General?

Mr. Martin (Essex East): The general assembly is now in session, Mr. Speaker. Two countries took the position that they would support the U.A.R. demand for withdrawal of the forces and indicated that in their judgment the Secretary General had the necessary authority. They based this position on an agreement between President Nasser and Mr. Dag Hammarskjold.

Mr. Diefenbaker: Which are the two countries?

Mr. Martin (Essex East): They are India and Yugoslavia. The Canadian position was stated in the terms I indicated. I might say these are terms which are supported by a

number of other countries contributing forces, as well as some that do not.

Let me say simply this. As the member for Vancouver East pointed out, this is a matter of the greatest concern, and it will be a matter of great regret, I am sure to everyone in this house and to Canada, to see the United Nations emergency force disbanded. This is a force that for over 12 years has maintained the peace in this particular area of the Middle East. This will be a matter of the greatest regret, because we recall with pride that this force was set up as a result of the initiative, action and imagination of the present Prime Minister of Canada.

Mr. Diefenbaker: After that political speech surely some observations can be made about it. This suggestion was made by Right Hon. Anthony Eden in his speech. The day following the Prime Minister, who was then Secretary of State for External Affairs for Canada, brought the matter before the assembly. That is the historical record, not the rewritten record of the Liberal party. The minister called forth that observation because of his gratuitous statement.

I should like to ask the minister, in view of his wide international experience and the strong feelings he has expressed about the necessity of maintaining the United Nations peace keeping force, does he not consider that his presence in New York would be of importance? Canada is a member of the security council, and the minister could be there with his wide knowledge and dedication to the principles of peace keeping to argue this case with all the emphasis he has shown today.

Mr. Martin (Essex East): Mr. Speaker, let me say to the right hon. gentleman that in making the observation which he said was gratuitous I was not seeking in any way to engage in any partisan observation. I hope my right hon. friend will believe me when I say this, because this matter is too serious for my intentions to be otherwise. I thought it was a matter of record that the initiative for this course had been taken by Canada. This does not mean other countries did not make a contribution. I mentioned the contribution made by the Prime Minister to indicate how very strongly Canadians feel about the consequences of yesterday's action and its implication regarding the whole concept of peace keeping by an organization to which this country dedicates so much of its foreign policy. I would have hoped, and I am not saying this by way of censure of my right hon. friend, that in a matter of this sort he would fully agree with what I said.

[Mr. Martin (Essex East).]

As to my going to the United Nations, that possibility has been examined and it is still possible that I will do so today. We have an ambassador there with great experience in the person of Mr. Ignatieff. He served as deputy to General McNaughton when the latter was a member of the security council. We have the fullest confidence in the way Mr. Ignatieff is handling this matter. However, we will wait to see how events evolve during the course of the day. Let me assure my right hon. friend that a great deal can be done in respect of this matter here in Ottawa with representatives of other countries, and that is what we were engaged in doing yesterday.

Mr. Diefenbaker: But not very successfully.

Mr. Martin (Essex East): My right hon. friend says not very successfully, and I regret that we were not successful. I am sure the right hon. gentleman would be the last to attribute any action on the part of Canada as causing the regrettable situation which has developed in the Middle East.

Mr. Diefenbaker: Mr. Speaker, let me say to the minister that no one could be a better representative in New York than he and that is why I suggested he go. Apparently he does not feel he is in that position. All I can say is that if I did offer him a eulogy he does not appreciate, I withdraw it.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether the withdrawal of the Canadian troops now in the Gaza strip will be part of the general United Nations withdrawal there, or will it be a Canadian operation carried out with Canadian aircraft and equipment.

Mr. Martin (Essex East): Mr. Speaker, as my hon. friend knows, the Canadian Department of National Defence has its own contingency plans, which I am sure will be synchronized with those of the whole force. Of course this does not apply to the United Nations truce supervisory organization, which will continue to carry out its obligations and may even play a part in this situation.

Mr. Harkness: Do I understand from what the minister has said that the withdrawal of the Canadian troops will be essentially a Canadian operation carried out with Canadian planes and so forth, and that he hopes this will be co-ordinated with the withdrawal of other UN forces there?

Mr. Martin (Essex East): That is right.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Despite the technical disbandment of UNEF, will the Canadian government consider keeping the Canadian troops who are part of this force in the Middle East in case the United Nations makes a decision which might require their presence there?

Mr. Martin (Essex East): As I said a moment ago, the whole force is now in or near the Gaza strip except for a small group which is so far as I know still located at the point in the gulf of Aqaba used by Israel to enter the Red sea. The plans for the removal of this force at any particular moment are not known now. We shall have to wait to see what happens today before we can draw any final conclusions as to the ultimate disposal of the force.

Mr. Heath Macquarrie (Queens): Mr. Speaker, I should like to ask the minister in respect of his suggestion that the locale of the UNEF be moved to Israel, whether he is yet in a position to indicate any response by the government of that state to that very interesting suggestion.

Mr. Martin (Essex East): Not as yet, sir.

Mr. Nesbitt: I have a supplementary question. In the event that the present negotiations regarding the Secretary General's decision do not work out satisfactorily, will the Canadian government make an attempt to refer the whole matter to the general assembly for decision?

Mr. Martin (Essex East): Mr. Speaker, when the general assembly deals with this question the Canadian ambassador has been instructed to state the Canadian position, as he did yesterday at the meeting of the contributors. It may also be necessary to do that today if there is a meeting of the security council.

Hon. E. D. Fulton (Kamloops): Mr. Speaker, because of the serious implications for Canada and peace keeping forces elsewhere in the world under United Nations auspices, may I ask the Secretary of State for External Affairs whether the Secretary General of the United Nations has taken a similar position with respect to the Cyprus force. I ask whether the position he has taken is such that he would say he could order the disbanding of the Cyprus force. Have there been any discussions in this regard, and what is the position there?

Mr. Martin (Essex East): There will be discussions on that very point. As I said, the Canadian ambassador has been instructed to see the Secretary General and an appointment has been arranged for noon today, when that and other questions will certainly be discussed. In fairness to the Secretary General, whose difficulties in this matter I appreciate, he has acted on the basis of the agreement with President Nasser and the then secretary general, Dag Hammarskjold, an agreement which in substance provided that the agreement by Egypt to the establishment of the force in no way violated its sovereignty. That agreement, which was circulated in the United Nations, must be read, however, with the resolution of the United Nations which set up the force.

Mr. Fulton: A supplementary question, Mr. Speaker. Is the situation with regard to Cyprus parallel to this situation? Was there a similar agreement by Turkey and Greece, or either of them, and could this be used in the same way as it has been attempted to use the Arab agreement?

Mr. Martin (Essex East): Mr. Speaker, certainly the consent of the government of Cyprus had to be obtained, and was obtained, before the force was established. I know of no agreement, however, along the lines of that which exists between the President of the United Arab Republic and the then secretary general.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. If the assumption that is put forward by nations other than Canada is correct, namely that the UN peace keeping role can be abandoned by any affected member, what will happen to this government's defence policy, which seems to be based strictly on a peace keeping role?

Mr. Speaker: Order, please. It would appear that this particular question is argumentative.

Mr. Aiken: Mr. Speaker, it may be an argumentative question in that the minister may have difficulty answering it, but it is asked in a serious manner.

Mr. Speaker: The hon. member for Queens.

Inquiries of the Ministry

Hon. J. A. MacLean (Queens): Mr. Speaker, my question has already been asked, but perhaps I might be allowed to remark that I think it is a pity the answers of the Secretary of State for External Affairs could not have been run through a condenser instead of through an amplifier.

LABOUR CONDITIONS

REQUEST FOR STATEMENT ON INCREASE IN UNEMPLOYMENT

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I had a question that I wanted to ask the Minister of Labour. Perhaps in his absence you would allow it to be taken as notice by the minister's parliamentary secretary. Having in mind the increase in the number of unemployed in Canada, which I believe is 67,000 more than it was last year at this time, would the minister consider making an early statement to the house on the situation?

Hon. A. J. MacEachen (Minister of National Health and Welfare): I will be glad to take the question as notice, Mr. Speaker.

CANADIAN CENTENNIAL

ALLEGED REMOVAL OF QUEEN'S PICTURE FROM CARAVAN

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, in the absence of the Secretary of State I should like to direct my question to the right hon. Prime Minister, and ask whether he would kindly make inquiries as to why the Queen's picture has been removed from the centennial caravan.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would first have to find out whether it has in fact been removed.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Would he tell us whether he could set up a special inquiry to find out whether it is true that rainmaking machines are operating again in the Saguenay-Lake St. John area and that new machines have been installed in the Ottawa region? Could he tell us also whether he will use his influence to have those machines stopped, at least during Expo?

Mr. Speaker: The question could be put on the order paper.

[*English*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, May 18, consideration of the motion of Mr. Don Jamieson for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

• (11:50 a.m.)

[*Translation*]

Mr. René Émard (Vaudreuil-Soulanges): Mr. Speaker, I should like to continue my comments on the new capitalist doctrine set forth by Kelso and Adler in Le manifeste capitaliste and The New Capitalists.

In his work Kelso dwells particularly on measures to give the individual a greater share of the capital. According to him, to the widely applied profit-sharing system should be added the various pension plans most commonly in use today. He adds that the practice of deducting contributions to various plans, such as profit-sharing plans—and particularly bonuses in the form of shares—from the taxable income could be used to bring about a transition from our mixed economy to pure capitalism. This transition, continues the author, could take place without any change in income tax rates. According to Mr. Kelso's theory, if profit-sharing plans are well conceived, after a few years of work, the worker becomes the owner of a substantial portion of capital. Therefore, these plans will help change our economy into a capitalistic one. If joint stock companies established on a sound basis were obliged to pay to their shareholders all the income created by their capital, profit-sharing plans would become much more effective. In fact, the amounts of money paid to the workers could be used to buy shares in those joint stock companies. According to Mr. Kelso, the concept of profit sharing should not be tied to the idea of retirement as it is now in an economy which is concerned with the idea of full employment. A greater participation in capital ownership, therefore in the production of wealth, will provide the worker with an income which will not only provide him with a livelihood when he stops working, but also which

will not make him totally dependent upon his work for his income but more and more dependent upon his income bearing capital.

Another theme developed by Mr. Kelso deals with estates taxes and gifts which in his contention, should be changed to encourage the adoption of capitalism. To that end the following considerations should be kept in mind: the object is for the individual to acquire a capital whose income would be sufficient to provide him with a livelihood. The amount of that capital would be determined by legislation. The rate of taxation should therefore vary according to the wealth of the legatee and not that of the owner. Taxes on estates and donations should be very high when they give the opposite result and increase the concentration of capital.

Half the revenue of the federal government in the United States comes from personal income tax. It would therefore be advisable to find out how tax exemptions could allow certain transfers of capital in such a way as to distribute it more widely among the population. It might be well for those capital transfers to be treated in the same way as charitable contributions are now, with regard to income tax. The distribution of wealth, based on work, in our mixed economy, made it necessary to levy a progressive personal income tax the importance of which has become dangerous. Until the achievement of the capitalist revolution, fiscal exemptions should be granted to bring about capital transfer which would facilitate the distribution of capital and which would be wiser than a reduction of tax rates.

Turning then to the role of the limited company in the transition leading to pure capitalism, Kelso points out that, in an entirely capitalist economy, the distribution of wealth produced would be made according to relative contributions to production made by capital owners and workers. Capital ownership would become real and no longer nominal. The essential truth recognizing that capital, and not work, is now the greatest producer of wealth, would be admitted by everyone.

A limited company is an association of workers whose capacities and various talents are added to the equipment and capital solely in order to create wealth. In a completely capitalist society, the limited companies would only be used to establish capitalism and make it prosper, whereas in mixed capitalism, they are used only to distribute in a charitable manner the created wealth and to destroy the private ownership of capital. To go from mixed capitalism to pure capitalism, limited companies should be reformed and reorganized to achieve the following results. I quote:

1. Re-establish the right of ownership of the shareholder by allowing him to receive all the wealth created by the capital invested in a limited company.

2. Use the present corporation taxes from limited companies to distribute largely the private ownership of capital among the people.

3. Reduce and eventually eliminate corporation taxes levied from limited companies as the economy reaches the balance which must accompany capitalism. The economy will reach that capitalist balance when it reaches the point where the distribution of private capital among all the people is so wide that the wealth produced can be distributed among all the owners of capital.

4. Regulations imposed on limited companies by the government according to the principles of capitalism. Such regulations would aim at encouraging the distribution of private capital ownership to prevent the government itself from owning the capital and to re-establish all the powers of private property.

5. Government regulations imposed on limited companies to enable them to develop to such an extent that they will be able to use the most modern production methods. On the other hand, those same regulations must prevent them from reaching a level hindering free competition on the markets where they operate. In each case, however, the government must make sure, through regulations, that the progressive development of a corporation is accompanied by an increased number of shareholders.

6. Use by the government of all reasonable means in its power to establish capitalism. During the transitory period, the government will have to resort to its regulating powers to balance the distribution of capital and the increased wealth which it has created. The basic principles of those regulations are as follows: protection of property, maintenance of free competition on all markets and responsibility of the government to provide every home with the possibility of sharing in the production, in order to earn a decent living.

The important and essential task which must be achieved by the capitalist revolution seems to be a hard one. Therefore, capital must be divided between all social levels to provide an opportunity for thousands of individuals to become capitalists.

As outlined by this short summary of the capitalist manifesto, Mr. Louis Kelso offered, in his book, a program to bring about the economic changes which are necessary to transform our present mixed economy into a truly capitalist one.

In another book, "The New Capitalist", the author took the theories described in the Second Revenue Plan, applying them to Canada this time.

According to Mr. Kelso, since capital equipment has obviously become the main factor in the production of wealth, the economic system must be revised to spread the ownership of capital equipment to the entire population. Too many of our political leaders, industrialists, economists say we lack the capital to build our country. Many of them add that even if we had the capital, we would not have the guts to use it. But Mr. Kelso feels that we not only have the capacity to produce the required capital, but that we also have the political obligation to do so if we are to remain a strong and independent country.

World capitalism rejects the socialist and classical (non-socialist) theory according to which prosperity can be achieved only by full employment. Such a theory erroneously assumes that the only way man can contribute to production is through his labour. It overlooks the non-human factor of production which is capital and it fails to recognize that capital produces wealth just as labour does, and that capital currently produces the greater part of the total goods and services and that, as technology develops, capital will produce an ever-increasing part in the future. The purpose of pure or universal capitalism is a maximum yield of goods and services with a minimum of labour but with universal participation in production. Participation may come through personal labour or through personal ownership of producing capital, or through both, according to the degree of development of technology or the standard of living being aimed at.

For the author, the word "universal" in the expression "universal capitalism" has the same meaning as in the expression "universal suffrage" and both are closely connected. The political system of universal suffrage has never had an economic equivalent in history. Defective economic institutions have weakened and eliminated the ideals of political democracy and constitutional government, according to Mr. Kelso's conclusions. Our western political heritage has no chance to survive in a nation or in a world where capital is the main source of wealth desired by all but where the majority owns no productive property. Private property, as applied to the factors of production, means that the owner of each factor is entitled to all the wealth or the net yield produced by the property owned.

The practical world in which we are living demands in addition to a theory, practical and efficient means to put theory in action. The second income plan is a practical plan to achieve a universal capitalist economy. An economy capable of producing whealth at the required rate would have to be at least ten times more productive than that now in existence in Canada, according to Mr. Kelso. The purpose of the plan for a second income is therefore to create that new economy.

Under that economy, newly created capital would be owned first of all by the 90 per cent of families which do not have a large income in the present economy. This new economy would be based on means to increase the integrity of the present right to private property in the existing economy. Mr. Kelso states further that such economy will have logic and symmetry, because it builds up the economic power of all families to consume goods, that is the buying power, thanks to two sources of income, at the same time as it builds up industrial capacity to produce goods.

• (12 noon)

The instruments of economic transformation suggested by the author fall under four categories: those relating to legacies and to donations *inter vivos*, in so far as they are affected by federal and provincial fiscal legislation; those respecting corporative policy; the instruments dealing with the financing of capital ownership for company workers and, finally, those relating to the financing of capital ownership for employees other than those of companies.

The purpose of changes in the fiscal policy affecting real estate and tax legislation on donations should be to encourage donations likely to extend private capital ownership by having it benefit a greater number of people. Those legislative measures should discourage blocking of accumulating the most efficient production factor, capital, in foundations the purpose of which is rather vague or obscure but which are tax exempt.

In such foundations, capital is socialized as efficiently as through state confiscation. With regard to corporations, Kelso makes the three following suggestions:

1. Gradual elimination of corporate income tax. The methods of financing individual capital ownership, through the income produced by capital, are some of the prime instruments for implementing the plan on the second income.

2. Compel gradually well established companies to pay their shareholders the full amount of their gains, after allowing for the cost of depreciation and operating reserves. To withhold income from capital is no more justifiable than to withhold income from work. If capital produces the greater part of our wealth, and if we want to streamline our economic system by allowing the mass to get

a secondary income in the form of dividends, the private property of both present and new shareholders must be effective.

3. To provide companies with new sources of financial growth in order to replace internal funds now in use.

If existing capital is used as a warranty in the financing process, then, according to Kelso, there is a better way to achieve the same goal, a method which does not depend on the limits imposed by the savings available for financing the formation of new capital.

This idea is of major importance for the Canadian economy, for it breaks the necessary tie, in conventional finance, between the ownership of existing capital and the right to acquire the ownership of newly constituted capital.

Conventional finance is a method whose results are exactly the contrary of universal capitalism. It is a method of implacable concentration of ownership and of exclusion, from the ownership of capital, of those who do not already possess a substantial amount of money.

On the other hand, the secondary income plan is a method created to allow people, who were born without it, to buy capital, to pay for it with the wealth produced by this capital and, afterwards, to own it and to use it as a source of secondary income.

Finally, Mr. Kelso points out some political advantages of an economic program based upon a second income plan. He says that the tools of that plan are particularly useful at the federal level because their operation is first subject to the control of the monetary system and the credit system which come under the federal government.

That plan is in keeping with the national economic planning, the antitrust policy, the speeding up of economic growth through the simultaneous development of the economic power of the people to consume and their industrial capacity to produce and also with the promotion of industrial peace. At the same time, the purpose of this plan is to maintain among individual citizens a growing economic power resulting from an accelerated industrialization and to extend it throughout the nation. Eventually and ideally, that extension would be universal.

The plan is also intended to reduce drastically and perhaps to remove economic cycles. The Second Revenue Plan will unavoidably show to all Canadians the advantages of a strong Confederation of all provinces. The control of the financial policy by the central government will be strengthened by the opportunity given to all Canadians to hold various stocks from corporations of each province. In addition, by increasing industrial power, economic independence and prestige of the political and economic leadership of Canada, the plan can narrow down the difference between the power of the United States and Canada.

The plan also portends to show that Canada does not need any foreign financial capital, but that all Canadians must have an opportunity to quickly own as many capital goods as possible. It is through an income increase due to the ownership of capital, rather than an artificial wage increase, that Canada could compete favourably with any other nation, including European and Japanese manufacturers for the American market. Mr. Kelso goes on to say that, in fact, Canada could compete with most of United States industries, at least until this country feels compelled to follow the trend and reform its economy.

The second income plan provides Canadians with the tools which could place their economy among the most important in the world, within a few years. Such an economy, built upon simple principles workable and understandable, could be emulated by that of developing countries. Today, concludes Mr. Kelso, there is no similar model for emerging nations.

Mr. Speaker, the Canadian people lose a lot of time in academic discussions about reforms which never bring any results. The second income plan presents a practical program, and the least we can do would be to study its potentialities.

[*English*]

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, in rising to participate in this debate I should like first of all to offer my respects and pay a tribute to a distinguished former member of this assembly, who from 1963 to 1965 represented the seat I now represent of Winnipeg South, serving with great conscience, integrity and distinction. I refer to the late Mrs. Margaret Konantz.

I had the privilege of running against Margaret Konantz in the autumn of 1965, which resulted in the myth that I and those who contributed to my campaign defeated Mrs. Konantz. This is a myth, Mr. Speaker. We may have succeeded in polling a few more votes than Margaret Konantz did, but no member who served with her in this house or in any capacity in the community and in

the nation during her lifetime would say that I or anybody else ever defeated Margaret Konantz. Nothing defeated her, sir. She was a public servant with a great sense of responsibility. She was a great Canadian lady and served her constituents in Winnipeg South, of whom I was one, with great distinction. On this occasion I extend my sympathy not only to her family but to the members of the Liberal party, whose colleague she was.

Second, I should like to extend my congratulations to the mover and seconder of the address in reply to the speech from the throne, the hon. member for Burin-Burgeo (Mr. Jamieson) and the hon. member for Nicolet-Yamaska (Mr. Côté). Their eloquent words have lifted this debate and launched it on a high plane. I for one was distinctly impressed by the debut each of them made. I know what they had to say has had a profound effect on the direction and course this debate has taken, and I think throughout the life of this session and this parliament their remarks will contribute to the over-all calibre and standard of debate and our participation in the affairs of the nation.

I should now like to address myself to two or three areas of Canadian life that I think are worthy of attention as I avail myself of this opportunity to take part in what is in fact a truly historic debate, because this particular throne speech debate is taking place in our one hundredth birthday year which celebrates confederation.

One of the matters I want to talk about is our presence abroad in the world, particularly our presence across the Pacific ocean in Asia, where one and a half billion people or half the population of the world resides. I had the good fortune and opportunity to spend a brief time in Southeast Asia during February and March, 22 days in all, during which my travelling party visited seven countries. For many of us it was our first glimpse of a huge area of life, endeavour and enterprise, a huge area of human struggle, bordering the Pacific ocean which washes the shores of our own country. It is an area in which our country must take a deep and abiding interest from both a spiritual and economic point of view.

• (12:10 p.m.)

In our travels in that part of the world we found that though we are held in fairly high regard as a nation we have no presence to speak of in Asia. We are held in fairly high regard as a direct result, first, of the presence in Southeast Asia now and in past of certain individuals who have enhanced our country's name; and second, because of our wheat sales to China, the latter leaving the impression, fortunately for us, that as a country we are more concerned with keeping people from starving than with political divisions. The individuals who have enhanced our name worked chiefly in medical and missionary teams. Also some of our official and quasi-official diplomats in Asia are held in high regard.

Despite these small evidences that we are not completely unknown—it is true that we may be recognized as existing—we cannot claim that anyone understands us or that we have any political presence in the area. We may not be dismissed as puppets of the United States, but we are hardly considered to have an independent foreign policy. It appears difficult for Asians to understand why we do not recognize or have diplomatic relations with a country to which we sell hundreds of million of dollars worth of wheat every year. A general vacuum exists in feelings toward our country; we have not made ourselves interested or interesting, and as a result little notice is taken of us.

These facts may be directly related to our almost complete lack of representation in the area. In the 15 countries of Southeast Asia with which we have diplomatic relations we maintain five embassies and six trade commissions, some of the latter being accredited to other countries as well as those in which they are located. Nevertheless it is doubtful whether the personnel of those establishments are numerous enough to be of much use to more than one country at a time. In eight of the 15 countries I alluded to we are unrepresented.

The following is the table of our offices and officers, sir:

India: high commission, trade commission.
Pakistan: high commission, trade commission.
Japan: embassy, trade commission (also accredited to Korea).
Malaysia: high commission, trade commission (also accredited to Singapore).
Hong Kong: trade commission.
Philippines: trade commission.
Indonesia: consulate.
Viet Nam: ICC commissioner; Laos: ICC commissioner; Cambodia: ICC commissioner; no diplomatic representation.
Thailand: no representation.
Burma: no representation.
Singapore: no representation.
Korea: no representation.
Formosa: no representation.

Mainland China is not included, and by Korea I mean South Korea. Forgetting for a

moment the whys and wherefores of recognizing or not recognizing communist China, the figures show that Canada has a total representation of some 25 foreign service officers in an area where 1½ billion people live. In our five embassies—one is a consulate—and six trade commissions which are accredited to eight countries we have two dozen persons of officer rank who, in effect, bring Canada to half the world's people. Considering that Canada's major market for wheat is in this area, and considering also the vastly increased political importance of Southeast Asia, we need much greater representation that we presently have.

The nature of our representation only makes the situation worse. This is not to say that our personnel are not doing an excellent job, for from all reports and under all the circumstances they are. But the fact remains that Canada has not one expert on Southeast Asia, not one. The external affairs department prefers not to have experts; it likes to move its people around to widen their knowledge and experience.

Surely such a *modus operandi* is sadly out of date in 1967, and will be even more out of date in the 1970's when all these nations to which we pay so little attention will be the scene of many struggles that will increasingly involve every nation of the world, our own included. How can we deal effectively with these cultures so different from our own without the modern equivalent of the old China hand? The Department of External Affairs does not offer its applicants any kind of choice in their overseas postings. Probably a person skilled in the ways of Southeast Asia will be sent to Southeast Asia, but not necessarily.

The recruitment of foreign service officers is undertaken at the postgraduate level simply by a series of examinations and interviews. No attempt is made to interest young Canadians in the foreign service of their country. There are no incentives for Canadian university students to undertake studies which will lead them to careers in any particular branch of the foreign service, or to careers in any government branch at all for that matter. There are no resident experts in Ottawa or abroad. Everyone is eligible for everything once he is accepted into the foreign service. Obviously a man who speaks Japanese will not be sent to the Netherlands. Generally, though, we conduct our foreign policy on the career level as we would a liberal arts college. No specialized knowledge is required and very little is gained.

Complete overhaul of our recruitment system is demanded to ensure a steady flow of interested young people into branches of the service that require expertise. Our ambassador to a country should be not only an excellent person, a good diplomat and a good ambassador; he should also be an expert on that country. In a modern, specialized world we must give direction to our foreign policy by placing in foreign capitals men who know and understand those to whom they are accredited. With a proper and informed flow back of material we may better be able to direct our country's activities abroad.

It is necessary to let young Canadians know about the foreign service as a career, before they choose a career. At the moment, foreign service personnel become so because their fathers did, or because they discover they are qualified after acquiring one or two college degrees. The opportunity is great. Excellent people have been attracted. But the needs have changed. If we think we can get by in Southeast Asia with 25 officers, we are sadly mistaken. If we send anybody but an expert out to increase the complement, we may as well spend the money and the talent elsewhere.

The figures on career officers show that applicants know very little about the jobs they are applying for. Of 800 applicants for career officer posts in 1966, only 170 qualified to write the entrance exams. Four hundred were not even sufficiently qualified or interested to be interviewed. Sixty were accepted. Undoubtedly the standards are high, but today the potential ambassador needs more specialized knowledge than he ever needed before. His specialization must begin at the graduate level, if not below. In short he must be recruited and trained. The potluck application system cannot much longer endure. This is especially true in Southeast Asia, where expertise must be learned or acquired through long experience. No Canadian grows up in an atmosphere which allows him even elementary understanding of the Asian national character.

• (12:20 a.m.)

My conclusions in this sphere are these:

1. Canada has six embassies and five trade commissions in Southeast Asia, in seven of the 15 nations in that region. In other words we are vastly under represented.

2. There is a great need for specialization in our foreign service, either through training or experience or both.

3. To permit and encourage specialization among foreign service officers the Department of External Affairs should provide incentives to persons who wish to devote themselves to Canada's service in foreign countries of a particular type, or to areas of diplomacy at home.

4. To provide for recruitment of specialized and expert personnel, the department should undertake an extensive program of public relations and recruitment in universities across Canada.

5. Canada must divorce itself from the notion that the diplomatic corps is a club. It must prepare itself fully for the kind of knowledge that is needed, and will be needed, in all areas of the world, particularly in Southeast Asia, where more than one half the world's people live.

Having said this, in the time which remains to me I should like to say something about the affairs of Canada at home, the feelings of Canadians and what it is to be a Canadian in this particular year. A House of Commons session of record length has ended and a new one, the second session of the twenty seventh Parliament, is well begun. With the great events of centennial summer now upon us, I feel honoured and privileged to take part in the work of this legislative chamber and to participate in this debate.

I am sure all members of this house, like myself, and all Canadians, will be feeling much satisfaction this spring and summer in their nationality and in their country. This is a great year in which to be a Canadian. With Expo '67, the armed forces tattoo, the pan-American games, the confederation train, the confederation caravans, the centennial canoe race and all the other pageants great and small which are being presented so successfully in honour of our 100th birthday, we are winning international recognition this summer as one of the most dynamic and exciting countries in the world.

I remember that when I was a schoolboy, far-away fields looked enticingly green. Today for young men and women of high school and university age there is no field so green and so full of promise as Canada. There is a feeling in our country today which was not present a quarter of a century ago. It is a feeling of new ground being broken, new horizons glimpsed, new opportunity at home and a new, assured Canadian personality emerging. It is my opinion that this new Canadian promise reflects itself clearly in our national politics, and if those politics appear tumultuous at times, it is because we are living a tumultuous chapter in Canadian history.

We have much to celebrate as Canadians in our centennial year. In the shadow of the most powerful and possibly the most persuasive nation the world has ever known we have clung to our Canadian identity, tended it, nurtured it and we are bringing it to bloom.

In the explosive climate generated by two founding races which have not always been charitable toward each other we have so far followed the voice and the path of the moderate man and avoided the temptation to anger. In an almost impossible geographical setting which would have dismayed many a less tenacious people we have scattered a comparative handful of men and women over a rugged, northern land mass of nearly four million square miles, covering half a continent, and we have held it together. We have built two transcontinental railroads, two transcontinental and international air lines, two transcontinental television and broadcasting networks, a transcontinental super highway, one of the world's greatest inland waterway systems and a coast to coast network of international airports that rank with any on the face of the earth.

We have built two of the world's greatest cities, and 20 others that are smaller but all of which are bursting with growth. We have built or are building 50 universities. We have plumbed the depths of our soil for petroleum and precious minerals; we have sown our vast prairies with wheat and fed half the world with the harvests. We have led the world in making many advances in the fields of medicine and science.

We have begun at last to address ourselves seriously to the arts, and there are hopeful signs that we are about to address ourselves seriously to scientific and industrial research. We have introduced social and humanitarian legislation which has brought security and freedom from worry to millions of our countrymen who without such measures would carry crushing burdens of financial care. Through depression we have persevered; out of trouble we have triumphed.

There is nothing we cannot make of Canada, you and I. As a country she is limited only by our human limitations. The glories and the triumphs of her first century in confederation may be as nothing in comparison with the triumphs of her second century yet to come. But there are areas of human labour and endeavour to which we must yet

turn our attention, especially in the field of human relations. I have mentioned some of the tremendous physical tasks which have been achieved. Among those still remaining to be done are these:

It will be our task to solve the problem of urban sprawl with all its related crises. It will be our task to open up our north country, to harness our huge reserves of fresh water, to tap new reserves of mineral wealth and to eliminate as far as possible the differences and discrepancies in regional growth and development across the country. It will be our task to build new roads and new towns, new sattelite cities and industrial cities. We may have to subsidize people to encourage them to settle in the north and push back the Arctic frontier. It will be our task to solve the problem of air pollution, and to solve the problems of old age. We shall have to find a cure for cancer. There are a thousand challenges of this nature, many of them yet unimagined.

But these are physical assignments or challenges. And important as they are, I believe them less important than some of the challenges which face our country in the field of human relations. The field of human relations, in my opinion, is the indispensable ground in which the foundations of Canada's second century must be dug. We must search that field for solid ground. If we sink our shafts in dry, sterile soil, if we dig in the barren sands of the status quo, if we try to rest our supports on the swamp of special interest groups, our structure will fail and the second Canadian century will crumble. But if we search that field earnestly and conscientiously for the good earth of human dignity, and if we build there, then the dreams we have for Canada will last not just into a second century but for a thousand years.

For I believe, and I think most Canadians would agree with me, that it is just as important to find a cure for war as to find a cure for cancer. It is just as important to rid our hearts of prejudice as to rid our air of pollution. It is just as important to redevelop our Indians as to redevelop our downtown areas. It is just as important to strengthen the fabric of Canadian life as to strengthen our reserves. And it is infinitely more important to the future of this country that we build highways of understanding between English and French and all ethnic and racial groups than that we build highways of concrete into the Arctic. This really is the challenge which faces us in this house, as well as all Canadians outside, as we enter our second century.

• (12:30 p.m.)

Some three decades ago Franklin Roosevelt coined a phrase that became a challenge and a battle cry for a whole generation of his countrymen. He told them "This generation of Americans has a rendezvous with destiny." They responded to the call. Now, it seems tc me, sir, those words ring with far more significance for Canada than they ever did for the United States in Franklin Roosevelt's time.

One of the pre-eminent emotions in Canada today is social tension, tension between the whole of the country and its parts, tension among many of the parts themselves, tension so critical on some levels that possibly the very concept of Canada has been threatened. I believe this generation of Canadians has a rendezvous with destiny. As no other generation of Canadians before us, we and our children have the responsibility for deciding and determining whether there is going to be a Canada at all in the future, and what kind and type of Canada it is going to be. This is the substance of the Canadian experiment, and it is we who may determine whether that experiment finally succeeds or fails. In this context and in that connection, sir, I take this opportunity to wish all of us in this house, all of us in Canada, good luck in our careers as citizens and builders of this great country.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, in taking part in this debate on the address in reply to the speech from the throne, I should not like to be too long, and I will only make a few observations.

The motion for voting an address presented by the hon. member for Burin-Burgeo (Mr. Jamieson) and seconded by the hon. member for Nicolet-Yamaska (Mr. Côté) reads as follows:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada—

Most loyal and dutiful subjects. Mr. Speaker, I will simply say that I am opposed to the motion, because I do not consider myself as a subject but rather as a free citizen. In my opinion, the motion should not be written in those terms.

How can we, in 1967, in the middle of the twentieth century and in Canada, a country which calls itself free, begin by the formula "We, Her Majesty's most loyal and dutiful subjects" when, on the contrary, we are elected by Canadian citizens in our respective ridings; how could we renounce our allegiance

to our electorate and recognize another authority than which delegated us here?

Mr. Speaker, one may smile at that, but nevertheless the idea is embodied in all aspects of Canadian life over the past 100 years. Those who were present at the opening of Expo remember several details of the ceremony of which we cannot be proud. For example, the official band played three times "God Save the Queen", the national anthem of England. Three times. And that, before playing "O Canada" even once. Three times, the national anthem of a foreign country. And those who were there, among Canadian citizens, and who were official delegates, diplomats from Africa, South America, Asia, Japan, Belgium, England, France, Germany, Italy, the United States—from 70 different countries—were surprised to find that the national anthem played here in Canada was "God Save the Queen", and that happened three times.

I also recall that, in 1965, the International Parliamentary Union held its meeting here in Ottawa. At that time, the representatives from 70 countries, members of parliament and senators, were meeting here to discuss problems relating to parliamentary government throughout the world. And there was a concert in the Capitol theatre, here in Ottawa, played by the symphonic orchestra of Toronto. It was a very beautiful concert and it was very successful. The symphony, directed by a Japanese, was excellent. There were two great Canadian stars, Richard Verreault and another one, a soprano, whose name I cannot recall.

An hon. Member: Maureen Forrester.

Mr. Grégoire: No, not Maureen Forrester who is also very well known. That was two years ago, and I have forgotten the name. At the beginning of the concert, what did one hear? Everybody got up for the national anthem, but "God Save the Queen", was what they heard. All the representatives, members of Parliament, senators from about 75 countries throughout the world were looking at each other and wondering if they were not in an English colony, in the seventeenth, eighteenth or nineteenth century.

As a Canadian citizen, I felt embarrassed at this point, in front of all those guests from all countries who were invited here in Ottawa, in Canada. And what was played for them: "God Save the Queen," the national anthem of England.

[Mr. Grégoire.]

Mr. Speaker, about two days ago, last weekend, I was visiting a foreign pavilion at the Expo, when a foreign representative, I do not remember from what country, came and asked me: Tell me, are your Canadian dollars guaranteed by England? Is it England that guarantees your dollars? I said: No. And then I asked him: What made you say that? He showed me a dollar bill and said: The picture of the Queen of England is on your bills. Are they guaranteed by England and is that why you have to put the picture of a foreign queen on your currency? I said: No, it is a leftover from the colonialism of the last century or two.

And here we claim to be Canadian citizens. We would like to make the citizens of Quebec, Ontario, etc. believe that they are Canadian citizens, whereas everything in our life is permeated by colonialism, without end or logic, right in 1967 and when, throughout the world, the countries with the least pride and dignity have broken off those colonial ties. Here in Canada we keep them. Our national anthem is still "God Save the Queen", as evidenced by the fact that it is played first. If, at least, it were played second; no, it is played first and three times in a row, before "O Canada". And those who were there will recall how it was played in a macabre, funerary and funereal rhythm, in a way I have never heard it played before. Those in attendance remember very well, and can testify to that. And it was played last, as if with fear. England's national anthem first. On our money, the picture of the Queen of England. And it is always the same. We are hosts to foreign countries but we have nothing to show except symbols, choirs, national hymns and great themes of another country as if we were a colony. If it were only a symbol, Mr. Speaker, but we are too penetrated by that colonial style, not only in the political field but also in the economic field, by that feeling of dependence, as if we could not have, at home, sufficient dignity and pride to give ourselves a free country where we would no longer be considered as subjects but as free citizens.

Mr. Speaker, we have not achieved this Canadian pride. It is not surprising then that in Quebec, I, at least, and many others, are trying to give ourselves a homeland because one has not been secured for us elsewhere. We will do all that needs to be done to have a homeland instead of living as colonials.

Some people may like it. I see the Postmaster General (Mr. Côté) who still is a

Quebec citizen, a Canadian. Does he approve? I would like to have his views. Does he approve of the playing of the national hymn of another country first, at international ceremonies in Canada? Is the Postmaster General proud of that?

Mr. Côté (Longueuil): Mr. Speaker, may I put a question to the hon. member?

Mr. Speaker: Order. Has the hon. member finished his speech and does he yield the floor to the Postmaster General?

Mr. Grégoire: I am wondering whether if he can put a question to me.

Mr. Speaker: Order. The hon. member may not ask questions. He can make his speech and, if he so wishes, let other members to take part in the debate later.

• (12:40 p.m.)

Mr. Côté (Longueuil): May I put a question to the hon. member, Mr. Speaker? Does he know the difference between the salute to the Governor General and the "God Save the Queen", because the hymn played at the opening of Expo was not the "God Save the Queen" but the salute to the Governor General which is only part of the "God Save the Queen".

Mr. Grégoire: Mr. Speaker, that it is not a very strong argument, in my opinion. Whether the salute to the Governor General or the national hymn of Great Britain is played, I think, there is not the least difference between the two. It is exactly the same music and the same notes. Nothing is different between the two.

If the Postmaster General means that it is the salute to the Governor General, I ask him whether or not the Governor General is a Canadian? If so, let him have a general salute distinct from the national anthem of England. That is what the Postmaster General cannot understand. He is trying to justify an acceptance which must bother him, I am sure, but he is also trying to justify himself before his conscience, and that is what must be difficult. It must be difficult, I am quite sure, because the national anthem of England and what is now called the salute to the Governor General are exactly the same thing.

Mr. Côté (Longueuil): No.

Mr. Grégoire: Is it not the same thing?

Mr. Côté (Longueuil): No.

Mr. Grégoire: Mr. Speaker, it is not the same thing, according to the Postmaster General. I would like very much to have him play both tunes, because he would realize that the music is exactly the same in both cases. There is no difference at all; and it is specious. In fact, the minister advances a specious argument since it is exactly the same music. People try to justify their attitude by saying: I listen to it; it is not England's national anthem, but the salute to the Governor General. We have a Canadian Governor General. Then, let us try at least to have for the governor general a Canadian salute and not a mere reproduction, indeed, a copy of England's national anthem! But there are still traces of colonialism, and I am disappointed to find some still in the Postmaster General.

Mr. Côté (Longueuil): Mr. Speaker, I must say I am very proud that, this year, the Canadian parliament has adopted a national anthem and that, two years ago, it gave our country a Canadian flag. In fact, I am proud of the progress we are making in giving Canada a true national identity.

Mr. Grégoire: Mr. Speaker, anyone who has seen—as I have—how the national anthem was passed this year has no reason to be proud. It stayed on the order paper as a committee report for two months and, one fine day, the whole thing was passed in a hurry, without a word being uttered by anyone, in short as if everyone was ill at ease. Not a single member got up to say: I am happy to have an anthem. There was no mover and not even a speech by the Prime Minister, a minister or an hon. member. Nobody said a word. It was passed and nobody was any the wiser. There was no proclamation as if there was something humiliating, embarrassing in having a national anthem.

Mr. Côté (Longueuil): Perhaps you would have liked a debate on the national anthem.

Mr. Grégoire: Nobody said a word while the national anthem was passed on the sly, because at the same time, again on the sly, was also passed what was called the royal anthem. They were both concealed. The third and fourth reports of the committee on that subject were presented. There was another report which could never be passed. It deals with the reduction of the quorum. That report was skipped and another, one which had been lying around for two months, was passed again on the sly. The minister is extremely embarrassed, but he still says: I am

proud of it. If the Postmaster General is so proud of his national anthem, why does he not protest when "God Save the Queen" is played three times before "O Canada?" Why do the three other members not protest too, indeed, the member for Montmagny-L'Islet (Mr. Berger) whom I saw applauding a while ago? Why do they not protest when the national anthem of another country is played three times before the one of which the Postmaster General is so proud? Is that pride? It is not, and I protest against it.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. May I suggest to hon. members that they allow the hon. member for Lapointe to continue and complete his remarks?

Mr. Grégoire: I shall pursue. I quite understand their intervention and their shame. If I were in their shoes, I too would be ill at ease.

An hon. Member: Speak for yourself.

Mr. Grégoire: I too would be embarrassed. I see the Postmaster General leaving his seat. His hasty retreat is probably the most noble gesture he has ever made, because it enables me to make such remarks. I am proud of my national anthem. It took a long time before someone ventured to say that we no longer want to keep those colonial and colonialist vestiges. If only all the citizens of Quebec and the members from Quebec would take the lead in that field. I must congratulate the hon. member for Lotbinière (Mr. Choquette). I do not always have the opportunity to do so but he at least is one who acts like a free citizen, who has understood that we are free citizens, that we must not remain colonials. The hon. member for Lotbinière has understood that.

Let us abolish monarchy, let us set up a republic. Why are the other members from Quebec not following, why are they not doing the same thing? It seems to me it would be quite normal for them to do so. Let us look at what has happened throughout the world during the past twenty years, Mr. Speaker. Countries, people less developed than we are, had at least more pride, more dignity than we have, much pride, much more dignity, and they realized what independence means, what it means to free ourselves from those who seek to exploit us and make colonials out of us.

Well, it has been too long since that idea was put forward here, in this house. It has not been sufficiently expressed, unfortunately.

[Mr. Grégoire.]

I think it should be voiced even more, so that never again motions will be introduced, beginning with such words as: We, loyal and faithful subjects. Subjects! What a word! It is one I cannot accept. She is the Queen of England, very well—

Mr. Habel: I rise to a point of order, Mr. Speaker. Since, contrary to the hon. member for Lapointe (Mr. Grégoire), I understand very well the oath of office I took in order to sit in this house, on behalf of those I represent, I am withdrawing from this house as a protest against the speech delivered at present by the hon. member.

Mr. Grégoire: Mr. Speaker, I tell you that I am not much impressed by this withdrawal. I am disappointed to see that another Canadian citizen prefers to flee rather than face the music. What can you do, there are people who will always run away instead of fighting when confronted with this type of situation. The oath of allegiance to the Queen, Mr. Chairman—which still remains—is always a trace of colonialism which we should do away with. We should amend the constitution and suppress this, because we must always pledge our allegiance to those we represent, our constituents. That is democracy. We claim that we live in a democratic country. Democracy means government of the people, by the people and for the people. We are appointed by our constituents. That is implied in the word democracy. Therefore, to whom should we pledge our allegiance? To the people, to our constituents. Things have reached the point where the Queen is brought into anything. For parking offences, it is the Queen versus so and so. The Queen does not even know you own an automobile; she does not know what kind of automobile you have, she does not even know that you were on such and such a road, she does not even know that you exist. Yet, you are sued; the Queen versus so and so. Why not the people? In truly democratic countries, that is the way it is done. Those are further traces of colonialism; always in the name of the Queen. And when we are elected here, it is to represent the interests of the electors, the interests of the people. We should swear allegiance to the people; to the interests of the people, to the interests of our electors. But no; "We, loyal and faithful subjects", that is what we repeat—year in and year out, humbly, and very humbly at that. Yes, it is said that it is a symbol to give pride

and dignity to our country, to our homeland. Aristotle, a great Greek philosopher, said that one's homeland is where one feels at home. Here, people come out with all kinds of foreign symbols! Can this really become a homeland?

• (12:50 p.m.)

Aristotle said: "The place where one feels at home." He does not say: The place where one lives. He says: "The place where one feels at home". Such is Aristotle's definition of the homeland, and there is yet to be found a better one. I repeat: "The place where one feels at home."

And some people bring in as many foreign symbols as possible, whether by means of our currency, our flag, our national anthem, or indeed our oath of office.

Mr. Speaker, I believe that there is room for considerable change in the constitution in that field, at least to the extent of shelving all those remnants of British colonialism of years past. Other countries gained independence. Let us take the United States, for instance. It had 3 million inhabitants when it decided that it had had enough; it has become a great country. We, its neighbours, remained a small country. Why? Because we have always been a colonized country, a country with a colonial mentality, a country with traces of colonialism, always the victim and the dependent of colonizers and exploiters. Therefore, Mr. Speaker, I hope that things will change in that field—

Mr. Berger: Oh no.

Mr. Grégoire: Mr. Speaker, if instead of mumbling all the time the hon. member for Montmagny-L'Islet (Mr. Berger) would rise and say what he thinks, it would be much better. He is another one who still has the style of a colonial, Mr. Speaker. He is another one who likes to be taken for a loyal subject, a colonial. That is what the hon. member for Montmagny-L'Islet is. But he mumbles, for instance—

[*English*]

Mr. Herridge: That is not true.

[*Translation*]

Mr. Grégoire: —but he is unable to express himself.

Mr. Berger: Mr. Speaker, I should like to point out to the hon. member for Lapointe (Mr. Grégoire), who is attacking me personally by speaking of the member for Montmagny-L'Islet and saying that I would rather be a loyal subject, that I feel wronged, that my rights have been encroached upon, and that I hope to have the opportunity to defend myself if I may not do so now. I will not remain silent after the remarks of the member for Lapointe, and—

Mr. Speaker: Order. Does the hon. member not feel that it would be preferable for him to make his remarks after the hon. member for Lapointe has finished his speech?

Mr. Berger: Gladly, Mr. Speaker.

[*English*]

Mr. Winch: It is our approach that is right and your approach that is wrong.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I really believe I have expressed my views strongly enough to provoke a reaction from the members of this house. I know that my views are not shared by everyone. I am not asking everybody to agree with me, because we are living in a democracy; only, I respect the views of others, I admit—

Mr. Laniel: Mr. Speaker, I should like to put a question to the hon. member for Lapointe who gave us earlier such an adequate definition of the word "fatherland" and has chosen to be a separatist. Can he explain why he is still here if his fatherland is not Canada, if he feels better in Quebec? Is there anything besides his annual indemnity of $18,000 to keep him here?

Mr. Grégoire: Mr. Speaker, I could ask the hon. member for Beauharnois-Salaberry whether he stays here because of his $18,000 indemnity, for I think he is sensitive on this subject. I answered his question on the first day I officially declared in this house, that I was a separatist when I said that I accepted and would observe all Canadian laws as long as Quebec remained a part of Canada, but that I would do all I could to help it become independent, since Canada has not succeeded in breaking its colonial ties. That is partly the fault of members like the hon. member for Beauharnois-Salaberry, who recognize these ties implicitly and tacitly. As long as Quebec remains a part of the Canadian confederation, I shall observe Canadian laws but do all I can to help Quebec separate from the rest of the

country, so that we may at last have a homeland where we can feel truly at home.

[*English*]

Mr. Winch: If what you are running down was not a democracy, that would be treason.

[*Translation*]

Mr. Grégoire: Mr. Speaker, this is a democracy. Obviously, a hundred years ago, some provinces agreed to a constitution and to a Canadian confederation. Now, if each province was free to join confederation, each province must be free to get out of it. That is not treason, it is terminating the first contract of 1867 which was freely and willingly entered into by each the participants and if one of the provinces who shared in it at that time now wants to get out, it should be able to do so freely and voluntarily. All it has to do is to put an end to that agreement and that is the end of it. That is not treason, that is democracy. I always felt that we would have independence in Quebec only when the majority of Quebec voters voted for independence. When the majority of the people of Quebec vote for Quebec independence, everyone will have to recognize its democratic choice, freely, voluntarily and peacefully made, by ballot on voting day.

That is democracy. And everyone in a democratic country is free to work to achieve this. I am not in favour of violent means or civil war, not at all, but of democratic means.

I hope this will happen as soon as possible but, in the meantime, I accept Canadian laws which control Canadian citizenship. I refuse, on the other hand to be considered as a subject of someone by whom I was not elected for it is the Quebec voters who elected me.

I have been elected by the people and not by a foreign sovereign. I submit that all members of this house would find it advantageous to change their positions and to break those colonial ties, to become free citizens, in order to speak not as the subjects of the Queen but as free servants of the Canadian people and then it would be much better for all of us.

I also submit, as I am now a Canadian citizen, that Canada would derive benefit from symbols and exterior signs representative of Canada and of no other country. And I believe that this is not a betrayal; on the contrary, I am advocating constitutional changes in order to attain full freedom and to express our national identity which does not exist at the present time. Why do we now have to play the national anthem of another country on every occasion.

Mr. Laniel: Could you suggest what system we should adopt.

Mr. Grégoire: We should become a republic. The hon. member for Beauharnois (Mr. Laniel) is asking me if I have some suggestions to make. Evidently, Mr. Chairman, we should now set up a Canadian republic free from all ties with any foreign country, so that when we receive visitors from abroad, when we entertain 70 to 75 countries of the world, we could tell them: You are now in Canada and not in Great Britain. When we are receiving you, we play our national anthem "O Canada" and not the national anthem of Great Britain. Our flag is the Canadian flag and not the British one.

[*English*]

Mr. Winch: Why do you think Premier Johnson of Quebec doesn't want any federal link with a foreign country such as France?

[*Translation*]

Mr. Côté (Longueuil): He is a miniature de Gaulle.

Mr. Grégoire: Mr. Speaker, it is simple. The hon. member for Vancouver East (Mr.Winch) can talk all he wants, but in my opinion it applies to him also and he would have more reasons to be proud when Canada will really be a country in its own right and not another country. It seems to me that he would also have more reason to be proud to say that he is a Canadian citizen if he were not always confronted with foreign symbols.

[*English*]

Mr. Winch: I am darned proud of being a Canadian.

[*Translation*]

Mr. Grégoire: It all depends on one's point of view. As for me, I consider myself as a free citizen; others consider themselves as citizens dependent upon a foreign country.

I shall end with those words. I know that my remarks may not have pleased everyone —but I think that the citizens—

[*English*]

Mr. Cowan: They have not pleased anyone.

[*Translation*]

Mr. Côté (Longueuil): It is a little silly.

Mr. Grégoire: My friend, the hon. member for York-Humber (Mr. Cowan) says that my remarks did not please him. But he must have realized that, at least in Quebec, and at least in Jonquière county, the young people of that county are proud and dignified enough to long for that complete and total freedom, that separation and breaking away from the ties with another country.

Mr. Speaker: Order. It being one o'clock, I do now leave the chair.

[*English*]

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Berger: Mr. Speaker, I rise on a question of privilege. I was under the impression that the hon. member for Lapointe (Mr. Grégoire) would be back and that he had time left in which to conclude his speech. In view of the fact that the hon. member is not here may I, on a question of privilege, take a moment to clarify something.

[*Translation*]

Since I was personally mentioned in the separatist ravings of the hon. member for Lapointe (Mr. Grégoire) before the lunch hour, may I briefly though no less strongly protest against this sad and unfortunate example of extreme demagogy and personal attacks against members who are loyal to their mandate and respectful of the law of the land, of established order.

Only a few hours ago, the hon. member for Lapointe called me a subject, a colonial and so forth, Mr. Speaker. I want to assure you that, respectful of democracy and faithful to my oath of office, because I know what an oath is, I will continue to represent those who elected me according to the will of the majority, that is in compliance with the policies advocated by the present government and to which I participate as regularly and as loyally as possible, to the best of my ability.

In reply to the member for Lapointe, Mr. Speaker, may I say that I shall never hide behind pseudo-inquiries with my electors, to repudiate today what I advocated yesterday, for I have never been elected in my riding under false pretenses. I have no intention of becoming a sad separatist Don Quixote similar to the one who is now crusading in the Quebec desert.

I am sorry the member for Lapointe is not here: I would tell him that I feel perfectly at home everywhere in Canada. I am not a colonial or any type of a subject, far from it. On the other hand, I shall continue to respect the Queen of Canada according to the statutes, regardless of what the hon. member may say—if the term "honourable" is not pejorative when applied to the member for Lapointe whose egocentrism makes him exceed all bounds—I shall continue to respect her.

Reference was made to the national anthem, with which I had something to do, because I took part in the work of the committee. I am proud of "O Canada", our national anthem. I also respect the royal anthem, and when it is played I shall still respect it, by paying it all the attention it deserves.

I am proud of my national anthem, and I would be delighted if it did not give rise to any debate, Mr. Speaker, because it is with false discussions wrongly oriented, and useless wanderings, such as you have probably witnessed on the part of the hon. member for Lapointe this morning, that the orderly conduct of this parliament's business is too often delayed.

I am proud to be Canadian, Mr. Speaker, just Canadian. Of course, I am proud of the French fact which characterizes my origins, just as I admire and respect that which characterizes my wife, who is of English origin, and that of my children who, taking from both of us, will become even better Canadians.

To conclude my question of privilege, Mr. Speaker, I hope that the special committee of the house which is working to amend the laws and regulations governing us at the present time will, as soon as possible, reach the happy solution which will enable us to discuss our problems more seriously instead of going in for demagogy, enable especially those who are interested in Canadian problems to discuss them, and enable those who want to concern themselves exclusively with the problems of Quebec to get elected, the next time, to the provincial legislature to submit to the authorities concerned the problems they have to submit to them and thus stop trying to deceive us, to agitate us, to divide us and to spread dangerous ideas throughout the nation.

I apologize for my blunt and off-hand manner, Mr. Speaker, but since I am a true Canadian, respectful of the existing order, I feel compelled to rise and call your attention to this matter. I believe all my constituents will be happy to know that at least in the riding of Montmagny-L'Islet nobody needs a lesson from a member who has disowned his electors by switching parties, by preaching a lost cause and becoming an agitator. I think the people of Montmagny-L'Islet will keep on judging me as they have up to now.

Some hon. Members: Hear, hear.

Mr. Berger: I thank hon. members for their applause which proves that I am not the only one to profess true Canadianism in this house.

[*English*]

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I am taking the opportunity of participating in the debate on the address in reply to the speech from the throne in order to deal with two subjects in particular which could occupy the whole of the time allotted to a private member. I do so because in my mind and in the opinion of other hon. members of the house these two important matters have been brushed aside by the cabinet, in outlining the work of parliament and accomplishing the desires of the people, for other purposes which are not as vital.

I would draw your attention, Mr. Speaker, to the order paper of the house. On page 19 of today's order paper for Friday, May 19 you will find a resolution standing in my name which reads as follows:

> That, in the opinion of this house, the government should consider the expediency of introducing legislation for the creation of a criminal injuries compensation board to hear the pleas of persons who have suffered permanent injury or disability as the victims of crime and award compensation to such persons or their dependants as would seem fair in the circumstances, and wherever possible to do so, to impose payment of compensation by criminals to those they have injured.

• (2:40 p.m.)

I first placed that resolution on the order paper in January, 1966. As everyone knows, under the rules of the house it was nothing but a private member's resolution. Being a private member's resolution and having been on the order paper since January, 1966, the first and only opportunity ever provided by the house leader to discuss the matter was on Wednesday, June 8, 1966. One hour was allotted to the discussion of the resolution. It was talked out by one of the exalted members of the party, a parliamentary secretary, and it died a natural death never to reappear again on the order paper. I was forced, therefore, to reintroduce it in this month of May in the new session of parliament.

The other day the hon. member for Lotbinière (Mr. Choquette) rose in the house and asked this question:

> Mr. Speaker, I should like to put a question to the hon. Minister of Justice and Attorney General. Since a number of honest citizens think that our society makes many efforts to improve the lot of criminals, I should like to ask the minister the following question.
>
> Is he giving consideration to setting up or interesting the provinces in setting up a program of compensation for crime victims or the families of crime victims?

The Minister of Justice and Attorney General (Mr. Trudeau) replied as follows:

> Mr. Speaker, this question has also been raised by certain correspondents. I am studying the problem at the present time. As the hon. member is aware, there is also here a question of constitutional law, for such compensation could come from the provinces instead of the central government. However, in that case, negotiations could be undertaken with the provinces.

It seems to me, Mr. Speaker, that when you do not intend to do anything in the parliament of Canada you simply stand up and say there is a constitutional question involved relating to the provinces. This is supposed to be the end of it for the rest of time. Here we have an answer on May 11 by the Minister of Justice, a man in whom I have the greatest confidence, which suggests there is a question of constitutional law involved. Let us take the Truscott case. I do not want to discuss it at this time because feelings are easily aroused. However, I will take the Truscott case as an illustration because it is before us at the present time.

Here is a man who has been convicted of murder and is undergoing a life sentence in Kingston penitentiary at Collins Bay or Portsmouth, wherever he may be. In any event, he is down in the Kingston area undergoing a life sentence because that was the sentence of the court. Who is paying the cost of giving him three meals a day, maintaining him in warm surroundings, giving him a bed at night, providing the necessary chaplaincy services, looking after his recreation and seeing that he does not become too obese or does not lose weight through lack of eating? The parliament of Canada is providing the wherewithal to keep criminals in luxury while the bodies of their victims lie in their graves.

When people like the hon. member for Lotbinière ask the cabinet if any consideration is being given to paying compensation to the victims of criminal acts, they are given the answer quite quickly that there is here a question of constitutional law. The government keeps right on feeding Truscott and making certain he does not miss a meal, all at the expense of the Canadian taxpayers. When they are asked, is there any compensation for the victims of these crimes, back comes the high-sounding answer that there is a question of constitutional law involved and the rights of the provinces must be maintained. If we can afford to pay the cost of keeping the criminal, surely we can afford to offer some compensation to the victims of crime when the victims are absolutely innocent of any complicity in the matter.

When this subject was discussed on June 8, 1966, almost a year ago, a large number of hon. members supported the principle of this resolution. One of the ablest members in the house, the hon. member for Stanstead (Mr. Forest), in supporting the principle stated he felt that since compensation for injury was concerned it might be a provincial matter. I respect the hon. member's legal knowledge and I respect his judgment. Possibly there is an element of provincial jurisdiction involved. However, as long as this house is willing to pay for the upkeep of criminals out of federal funds I believe we should pay for the compensation of the victim of criminal acts on exactly the same ground.

I should like to refer to a murder case to which I have made frequent reference in this house involving a seven year old girl in my own church congregation in Toronto. The man who was accused of the murder of this little child entered a defence of insanity. His lawyer won the argument in that case and the moment he did so this man was immediately incarcerated in the asylum for the criminally insane maintained by the Ontario government at Penetanguishene, about eight miles from a summer home I have maintained since 1937. This institution is well known to me and it renders a magnificent service.

It does seem odd to me as a Canadian taxpayer, and I have been a taxpayer for a long number of years, that when a chap like Truscott is convicted of murdering a little girl he serves his life sentence in Kingston penitentiary and Ottawa looks after providing three meals, a warm bed and warm accommodation, but when this other man is accused of murdering a little seven year old girl from the congregation of Victoria Presbyterian Church and is judged insane he goes to an asylum and becomes the responsibility of the taxpayers of the province of Ontario. In my opinion, this is splitting hairs beyond reason. If you are going to argue that compensation for the victims of crime is a matter of provincial jursidiction and if you are going to have the Canadian taxpayer shoulder the cost of looking after the criminals, then the Canadian taxpayer will certainly jump at the opportunity of offering compensation to the victims of crime. If the government will bring forward legislation I have no doubt parliament will pass it in a day. I might point out that my interest in this matter has extended over a number of years because as a newspaper reporter many years ago I covered more than one murder trial. As I pointed out in the debate on capital punishment, I was the foreman of a jury when I was 19. This is illegal because one should be 21 but the judge appointed me because, as I emphasized when speaking, I was the only man in the room where the murder trial was being held who could write English. I just refer to that because I was working on a murder case when I was only 19 years of age. This goes back quite a few years and I covered a number of murder cases for newspapers over the years. I have come face to face with the victims of crimes and in police court work I have also come across the victims of crimes such as merciless beatings, hit and run drivers, and cases where gas was turned on in a room while a person slept and he was a physical wreck thereafter because of the effect on his lungs. There are many victims of crime other than the victims of murder. I suggest that parliament should provide compensation to the victims of criminal acts, no matter what the nature of the act may be.

As I mentioned, the resolution I introduced was discussed for one hour on June 8, 1966 when it was talked out. At that time a member of the house made this statement, and I quote from page 6168 of *Hansard* for June 8, 1966:

> • (2:50 p.m.)
>
> —I am doubtful about what the resolution means.

I do not think that we should hold up such legislation until the hon. member for Antigonish-Guysborough (Mr. Stewart) is able to comprehend the significance of the motion, because the people of Canada want legislation for the compensation of victims and they want it fast.

It is interesting to note that three provinces in Canada have begun to take some action

with regard to introducing measures for the compensation of victims. I have a newspaper clipping of December 9 of last year from the Winnipeg *Free Press* indicating that the Manitoba government is making a bid to aid crime victims. I also have a clipping taken from the Toronto *Globe and Mail* for February 11 of this year which points out that the Saskatchewan government is bringing in a law to aid the victims of crime. I also read in the Vancouver *Sun* for February 28, 1967 that British Columbia crime casualties are to get aid. So there are three provinces in Canada that have taken steps to compensate victims of criminal acts, and I see signs that the province of Quebec is going to take similar action.

One might ask, since the provinces are moving why not let this matter go ahead? I maintain that we should have uniform legislation on this subject right across Canada, and since the federal government is paying for the upkeep of convicted criminals I think it should also pay compensation to victims of crime.

I would not criticize a single one of the bills that are now being brought forward by provinces because I am anxious to see them become law in the provinces concerned. I am also anxious to see one law for the whole of Canada but I will help these provinces in any way possible to get this legislation on their statute books. I have long believed that half a loaf is better than none.

It is quite interesting to compare terms of the three bills in Saskatchewan, Manitoba and British Columbia to which I have referred. As I mentioned earlier, there are signs that Quebec will take some action, though I have no details as to what action Quebec is considering other than that I know there are men and women in the province of Quebec who believe that victims of crime should be compensated.

Let me outline some of the disparities in the legislation of Saskatchewan, Manitoba and British Columbia. I point out that according to the Saskatchewan bill, which I think is the best of the three, the victim will not be required to pursue legal action before applying for compensation to the compensation board. That determination has been made by those in Saskatchewan who framed the legislation.

When one turns to the legislation that is suggested for Manitoba one sees it is necessary under that bill for a victim there to have exhausted legal action before he can apply for compensation. The Manitoba white paper on this subject states that it is proposed that the victim, before being eligible to receive compensation, must exhaust all legal remedies and all other forms of public assistance. That language is in almost direct opposition to that used in the Saskatchewan legislation. But I say to the members of this house through you, Mr. Speaker, that I sincerely hope both provinces put this legislation on their statute books because they will at least have started something which I hope the federal government will take up and bring to national fruition by passing a uniform act.

It is interesting to note that in British Columbia Attorney General Bonner told the British Columbia legislature that the responsibility for compensation will be placed squarely on the shoulders of the municipalities involved.

Mr. Herridge: That is typical.

Mr. Cowan: That is not my comment but that of a good friend from British Columbia. In the Vancouver *Sun* for February 28, 1967 we read:

> The legislation would be enabling, allowing municipalities to use their own funds for compensation of these victims of violent crimes.

Let us just consider for a moment, Mr. Speaker, the unfairness of such legislation. Nevertheless, let me say that I hope British Columbia does put this legislation on the statute books, because I do want to see some sort of legislation passed and from that basis we can proceed to consider improvements. Let us take the case of a person who might be the victim of a crime in wealthy, rich, sleepy Victoria, compared with somebody in the valley of the Skeena who might have had their feet cut off by a robber. If the municipalities are going to compensate the victims of crimes, then I think I would sooner be attacked in Victoria, British Columbia, than be the victim of a crime in the valley of the Skeena or the Stikine. I have been in all three places and I must say that if I am to be attacked I would prefer to be attacked in Victoria. The police are closer at hand, the hospitals are fine and the taxpayers are wealthier than in the two valleys mentioned. But I mention this only in passing.

I do not think that putting the responsibility on the municipalities is good legislation, Mr. Speaker. The legislation of Manitoba and Saskatchewan is far ahead of that of British Columbia in that it makes compensation a provincial responsibility. However, I believe

that the federal government should show the way by taking over this responsibility on a national scale in the same way as they look after convicted criminals.

In talking this way about compensation for the victims of crime I do not want to refer to the previous discussion we had on June 8 or to the discussions we have had from time to time when there have been "kefuffles" over capital punishment. References have been made here to the fact that if you are run down by the driver of a motor car, in most provinces in Canada you do not even need to know the name of the driver who ran you down. If you do not know the name of the driver who ran you down, you can nevertheless institute an action for damages for having been injured by a motor car and can collect from what is known in the province of Ontario as the unsatisfied judgment fund. Other provinces have similar provisions for compensation under different names, but in Ontario if you are run down by a motor car, are badly injured, and you do not even know the name of the driver of the car you can collect compensation from the unsatisfied judgment fund which is administered by the department of highways.

In connection with the proposal to compensate victims of crime I should like to read a short editorial which appeared in the Toronto *Globe and Mail* as recently as May 10. The heading is "Best Be Hit By A Car", and it reads as follows:

> Although Marshall McLuhan maintains that in this electronic age, we are becoming less oriented to our motor cars, the legal system in Ontario has yet to get the message. While we have various means of helping the victims of auto accidents, we still lag behind other provinces and other nations in compensating the victims of violent crimes.
>
> Last month, an East York resident was awarded $7,300 in the Ontario Supreme Court for damages incurred when he was struck by an unknown motorist and suffered a broken knee and leg injuries.
>
> But there was no such compensation for Beulah McArthur, the 65-year-old Toronto widow who had every bone in her face smashed in a vicious assault by a young hoodlum. Instead, after leaving hospital Mrs. McArthur never returned to her little grocery shop and sold it at a loss which she estimated at $4,000.
>
> When she was taken to hospital, Mrs. McArthur was soaked to the waist in blood and a nurse asked if she had been in a car accident. In a province which still refuses to accept responsibility for the victims of violent crime, it would have been better for her if she had.

We are willing to compensate the victims of other untoward events, Mr. Speaker. For instance, it has been mentioned in this house that if a farmer has a sheep killed by a dog in the province of Ontario he can collect the value of the sheep slain by a dog running at large. If his daughter is killed, as in the instance of Lynn Harper at Clinton or the farmer's daughter at Dublin, Ontario, ten miles away, there is no compensation at all for the parents for expenditures that have been made on behalf of their child. There is no compensation for the loss of happiness, satisfaction and the comfort and company of the child.

• (3:00 p.m.)

Mr. Scott (Danforth): Would the hon. member permit a question?

Mr. Cowan: Very well.

Mr. Scott (Danforth): I am curious, because the hon. member is developing an interesting theory. Can he elaborate what type of compensation, in the instance of a young child, would be appropriate?

Mr. Cowan: Compensation is paid in Great Britain on that basis. I am not a lawyer as is the hon. member for Danforth, but the language of the British legislation is to the effect that the compensation is for the pleasure, company and future happiness that the parents might get from having a child who would become an adult, and there is language to the effect that the child might become the parents' support in old age.

Mr. Scott (Danforth): How could you possibly be compensated for the loss of your own child?

Mr. Cowan: Mr. Speaker, to answer the question I would say that no one could compensate me for the loss of my child, but I simply say that in Great Britain that sort of thing is being done. I do not live in Great Britain. I just emphasize that over there they are compensating for the loss of a child.

Referring to the legislation proposed in Manitoba, British Columbia and Saskatchewan, for which I commend the three provinces, I point out that New Zealand was a pioneer in this field of endeavour three years ago and was followed by Great Britain in 1964 and by the state of California. Last July that lead was followed also by the state of New York.

There is a growing realization that society owes protection to its individuals, and where society fails to give that protection it should take a hand in giving compensation to the victims of crimes. To take an example, it

should provide for the widow and children of the murdered breadwinner. Of course, there are many other instances where innocents suffer because of violent crimes of which some member of their family has been a victim.

The resolution to which I referred asks for the appointment of a criminal compensation board to adjudicate on all applications that may come forward. Precedents in New Zealand, Great Britain, California and New York state are building up all the time, and I understand that Saskatchewan—God bless her—will have her law in effect by July or August of this year. I maintain that the federal cabinet should be taking a hand in this matter and should be doing so fast, particularly since parliament voted 143 to 112 to maintain capital punishment and we are advised that a second effort is to be made to abolish it. But there is no mention of the victims of crime in the speech from the throne, Mr. Speaker.

I hope I have made myself clear. I believe I am stating the opinions of many members of the House of Commons who have spoken to me over the years on this important matter.

I should like to move on to the question of citizenship. Over the past several years I have referred more than once to an Italian-Canadian family. I dislike using the words "Italian-Canadian" because I do not like hyphenated descriptions of Canadians. To me we are all Canadians. I call these people Italian-Canadians because they were born in Italy and are naturalized Canadian citizens who have returned to their homeland and are living in Italy again.

In four consecutive speeches from the throne, those of May 16, 1963; February 18, 1964; April 5, 1965; and January 18, 1966, we have had beautiful clauses reading for example, this way:

> —a change in the Canadian Citizenship Act will be proposed to ensure full equality of rights for all Canadian citizens wherever they were born.

Or reading:

> My government will propose legislation to amend the Canadian Citizenship Act, in order to ensure equality of rights for all citizens.

And here is another one:

> A measure will be placed before you to amend the Canadian Citizenship Act, particularly in order to ensure full equality of rights for all Canadian citizens wherever they were born.

We have had four promises and no action. I have in my hands the speech from the throne delivered on Monday, May 8, not two weeks ago. It runs to pages and pages of fine type. I have read it in full at least twice and partially two or three times, and not once in that speech from the throne, which is not yet two weeks old, is there a single, solitary reference to the Canadian Citizenship Act. We have been told in four speeches from the throne, that amendments to the act would be introduced. We are told that the amendments are ready, that they have been prepared and that the regulations also are drawn up.

The situation against which I protest is that a naturalized Canadian citizen who leaves the country for a period of years must have his passport validated at the nearest Canadian embassy every three years or it will expire. In the instance of this Italian family who lived in Weston in the riding of York-Humber, they had their passports validated at the end of the third year of their stay in Italy and at the end of their sixth year in Italy.

The Canadian and United States dollars go much farther in Italy than in Canada or the United States and many naturalized Canadians return to their homelands in their years of retirement because of the increased purchasing power their money has there. A brother of a cabinet minister spends several months of the year in Spain for that reason, and no one thinks any the worse of him. He is stretching his Canadian dollar as far as it will go.

Here I am talking of an Italian-Canadian family who have lived in Italy for over nine years. Because there was illness in the family at the end of the third three year period when their passports had to be validated they did not do so. When they decided to come back to York-Humber to visit daughters and sons they have in the riding the Canadian embassy told them that their passports had expired because they had not been validated within three years. This elderly couple was really upset about the matter. And why not? They have foresworn allegiance to Italy and have sworn allegiance to the Queen of Canada, the Queen of this country. But this country said: "We do not want you any more; you did not get your passport validated within three years at the nearest Canadian embassy."

I am a natural born Canadian. I do not have to get my passport validated at any time, should I be outside the country, because I can come back to Canada, my birthplace. I have not foresworn allegiance to it. But if a naturalized Canadian citizen living outside

the country does not have his passport validated every three years he loses his citizenship.

I took the matter up with hon. Mr. Favreau who at that time was minister of immigration. I say with great pleasure, and I would be pleased to say it louder, that he straightened the whole matter out in one hour. He agreed that the Canadian Citizenship Act should be amended and that naturalized Canadians ought not to be in the position where, if they are outside the country for more than three years, they must get their passports validated or lose their citizenship. If that happens they are without a country.

I stated in the house on June 3, 1966, as reported on page 5951 of *Hansard* for that year, in discussing this question when the citizenship department estimates were being considered:

> I have been told that the amendments are ready; they have been prepared and the regulations are drawn up.

Why in the name of heaven cannot the cabinet bring the legislation forward amending the act, thus making all Canadians equal so that naturalized Canadians cannot be told at some embassy in Europe or elsewhere in the world: "Your validation has expired because you did not come round to see us every three years." That is not said to a native born Canadian citizen. Why should it be said to a naturalized Canadian citizen? I say that all Canadian citizens should be equal, and they should be treated equally. I wish the cabinet would bring such legislation in and bring it in now. We have had four years of promises; let us have one day of action.

Mr. E. Nasserden (Rosthern): Mr. Speaker, you are to be congratulated for the distinction of presiding over the centennial session, and no one is more deserving of that honour and pleasure than you are, sir.

Some hon. Members: Hear, hear.

Mr. Nasserden: To the mover of the address in reply to the speech from the throne I offer my congratulations; to the seconder, my congratulations and sympathy. The congratulations are for his manner of delivery and the sympathy is for his position as a supporter of a government which has written off the agricultural industry and hardly mentioned it in the speech from the throne.

• (3:10 p.m.)

Mr. Roxburgh: May I ask the hon. member a question?

Mr. Nasserden: I will be glad to answer later any question about tobacco which the hon. member would like to ask. He, more than anyone else in this house, should know that this government has failed to provide anything for the dairy farmers. The proof of this is their intention to march on Ottawa next Wednesday. The hon. member is embarrassed because of that. That is one of the reasons he would like to throw in a red herring at this time. The government has forgotten about agriculture. They have forgotten about those who till the soil and try to maintain the food resources of this country. I know that the hon. member who seconded the motion, coming as he does from the constituency of Nicolet-Yamaska, cannot but have realized that his was an exercise in futility, an attempt to justify the unjustifiable. Because of its omissions in the field of agriculture the speech from the throne was an insult to the industry and to the farmers across this country. I do not intend on this occasion to deal with the subject of agriculture. There will be other opportunities to bring it up.

Mr. Roxburgh: On a point of order, Mr. Speaker, the hon. member told us that agriculture was not mentioned, or hardly mentioned, in the speech from the throne. I point out to him that there are about 20 lines on that subject or about 400 words on agriculture in the speech from the throne.

Mr. Rapp: That is not a point of order.

The Acting Speaker (Mr. Richard): There is no point of order. I invite the hon. member to continue his speech.

Mr. Nasserden: I can understand what is bothering the hon. member.

On this occasion I should like to express my gratitude to the people of Rosthern constituency for giving me this opportunity to be their representative in the centennial session of the Canadian parliament. I think back to the historic election of 1958 when they first sent me to parliament and I remember the words of Bishop Westcote: "To truly represent the people, a candidate must know their problems, have shared their anxieties, gloried in their triumphs and been proudly humble to be numbered among them." I believe these are apt words and that they have meaning for every candidate for public office and every member of parliament, particularly those of us who sit in this centennial parliament at the present time.

In 1867 what is now the province of Saskatchewan and the region which is now western Canada was populated by few people except the original native population of the area, about whom I shall have more to say before concluding my remarks. I think this afternoon of the father of confederation, Sir John A. Macdonald, who gave practical unity to this nation, linking by railway the frontiers of our nation from east to west and making it possible for another great Canadian, Sir Clifford Sifton, to bring the poor, the oppressed and the downtrodden from Europe and other lands across the world to western Canada there to build, the grain bin of an empire, the greatest empire of all time, great not because of its size but because of the freedom it gave to the people it nurtured.

I think of the speech made today by the hon. member for Lapointe (Mr. Grégoire) and I feel sorry for him. I think he is to be pitied. He has an inferiority complex which I believe is not justified in the Canada of 1967. The promise of the Canada of 1867 was the guarantee of minority rights and the unbounded opportunities which would accrue as a result of co-operation and good will in the building of a society and a nation. And the Canada of 1967 is multiracial. It is certainly so in western Canada and in the great metropolitan cities of Toronto, Montreal and Vancouver. This is why the Canada of 1967 is seized by a restlessness which has little time for the timed, cautious approach of those who still cling to the belief that Canadians have not progressed beyond the state of mind which preceded confederation.

Canada has changed. The description applicable to a Canadian has changed. There is no longer a majority of Canadians who originated from English speaking people nor is there any longer a minority who originated from French speaking people. The majority and the minorities in Canada today are descended from people who when they first came to Canada spoke another tongue. These are the people who are eager for Canada to throw aside the shackles of prejudice and privilege which have prevented Canadians in all parts of Canada enjoying the achievements which might have been ours had we but remembered the pledge of co-operation and good will which was the chief ingredient of confederation.

The speech from the throne bears the characteristics of its author, the Prime Minister (Mr. Pearson). It is a colourless, uninspiring document, lacking in leadership, totally unaware of the Canada of 1967. Why are Canadians restless today unless it is because they are dissatisfied with the kind of administration they are getting from hon. gentlemen opposite? Why is it that in this centennial year we have a House of Commons composed of minorities? We talk a good deal about the constitution. People in all provinces have witnessed the extent to which the British North America Act has become a yoke holding them back and denying them the new horizons which could be theirs.

Freedom is a comparative thing. People never really win a new freedom without exchanging for it one of the old freedoms they held. We never hear the Prime Minister admit that. Provincial premiers will have to show some greatness too, unless their only ambition is to be premier of a province however shackled it may remain to a past beyond recapture. The stepping stones are co-operation, good will and a little trust in those who have lived side by side with others in this nation for a century and whose greatest transgression has been only that they leaned over backwards to respect the constitution and the rights guaranteed therein.

Canadians are restless today. They question the premise that things and circumstances have not changed. Canadians want equality. But we have the separatists in this country. We have the hon. member for Lapointe. We have the New Democratic party which in this debate moved a resolution asking for a special status for the province of Quebec. Then we have a Prime Minister who approves the two-nation concept. All these concepts deny that equality upon which a people may join together wholesomely to build a nation and preserve their heritage.

• (3:20 p.m.)

I congratulate the Prime Minister on his good fortune in being Prime Minister at this moment in Canadian history. Leadership is a difficult quality and quantity to define and measure. That difficulty does not extend to failure in leadership, and on this occasion the failures of leadership are monumental when one considers the challenge that faces our nation in this our centennial year.

I believe that carelessness has been the cornerstone of the administration of the last four years. The only other conclusion I can come to is that the Prime Minister cared so little for Canada that he allowed himself as the leader of a political party to indulge in political expediency as he gave lip service to

the two-nation concept and little by little destroyed some of the national unity that we had in Canada.

To my leader, the Leader of the Opposition (Mr. Diefenbaker), I declare my affection, my respect, my loyalty and that of the people of my constituency. I salute the Bill of Rights with which his devotion and perseverance were finally crowned when that statute became law. In common with all Canadians I marvel at that spirit which has sustained him through a checkered political career, a spirit which still remains unblemished after passing through the crucible of the years and all of the exigencies that have accompanied their passage in tumultuous succession.

Someone else has referred to the past few years as tumultuous. No one in this house will say they were ever anything else but tumultuous, for when the challenge of a nation is met headlong and forthright there can be no smooth or easy course, certainly not where prejudice and privilege still cling to retain their hold and restrict what could be accomplished.

I mentioned Sir John A. Macdonald as the father of confederation. I mentioned Sir Clifford Sifton. Both of them were liberal in the best tradition when it came to serving their country. I believe history will show that the Leader of the Opposition was the greatest liberal of them all.

The search for equality among Canadians is one of the cornerstones of the coming century of confederation. To my party this occasion is a milestone well worth celebrating. One hundred years ago Sir John A. Macdonald shared with others the achievement of the British North America Act. That act was a monument to the defeat of suspicion and intrigue, products of both the founding families. That marriage, protected by guarantees to the parties to it, has been fruitful. The Canadian of 1967 is not English or French. He has a richer, more subtle quality.

This is still a young, struggling country reaching to realize its potential, still uncertain as to its final nature. What would the prairies be without the markets for beef, grain and mineral products that we find in other parts of our nation? What would the city of Montreal, the island of Montreal, be but a pile of rocks were it not for the head offices that have been built there to bring together the wealth of our nation? Those multistory buildings tell a story, the story of Canada, the story of the achievement that has gone on from one end of this nation to another. Why should the rest of Canada submit to all these developments were it not for that spirit of co-operation, that spirit of good will which says that we can build a nation north of the 49th parallel?

A new beginning awaits us in Canada. It is not without challenge and it cannot be without tribulation. Nor can all the obstacles be estimated. I suppose our greatest obstacle is fear, perhaps mistrust, perhaps isolation. Canada cannot afford to dream of isolating herself from the rest of the world community. Just as certainly there is no part of Canada that could possibly survive by isolating itself from the rest of the nation. The destiny of North America in world affairs would soon submerge and then dispel the image of any section of this continent that sought refuge in isolationalism.

During the past 100 years there has been a certain isolationism in Canada. It has not been confined to any one area of our nation. That fact is sometimes lost sight of by those who look at modern Canada. Wherever it has been allowed, there people have suffered a loss of identity with the moving spirit of Canadianism that has tried to emerge north of the 49th parallel. Wherever it has been allowed to live, there an obstacle has been placed to our development as a powerful force equal to the challenge of modern North America.

If our friends on this continent, on whose shoulders the main burden of defence and leadership now rests, have made mistakes those mistakes are ours too because we failed to acquaint them with our views. The Prime Minister and the Secretary of State for External Affairs (Mr. Martin) have made external affairs the pawn of political expediency during the past four years. They cry "Wolf" every time a serious discussion of external affairs is sought. They resort to the red herring of secrecy to prevent and cut off consideration of Canada's position. They say, "Trust us. We know it all. Trust us and the world's problems will be solved."

One of the most bizarre performances in that regard took place during the unification debate when the Secretary of State for External Affairs pulled every possible string to influence parliament and Canadians into believing that in his hands and those of the government opposite rested the future solution of the Viet Nam crisis. That type of chicanery is insulting to parliament, degrading to the Canadian people and damaging to

Canada's image abroad. The minister was blowing bubbles.

The government opposite stands revealed as naked and arrogant, an instrument of disregard, an instrument of indifference to consultation, lacking the grace to take the Canadian people into its confidence. The government opposite cannot claim to speak for Canada. It has failed to take Canadians into its confidence. The government opposite cannot claim to speak for parliament. It has prevented and cut off debate in regard to external affairs. The government opposite cannot claim to speak for the Liberal party. The Prime Minister has muzzled his colleagues in the cabinet and has brought duress on his backbenchers to ensure silence on these vital matters. The government opposite has been careless, arrogant, irresponsible of the premises of democracy, and Canada's image abroad has diminished. Parliament knows that the Prime Minister and the Secretary of State for External Affairs have been crying "wolf" for four years, sloughing off questions in the House of Commons no matter from which section of the house they came.

On the domestic scene there is the plight of Canadians challenged by inflation and high costs. Housing is the most significant failure of the government but the mess in housing is only a symptom of more serious bungling by the government opposite.

• (3:30 p.m.)

The Minister of Finance (Mr. Sharp) has been trying to guess his way along. That is bad enough, but his guesses have been poor and as a result the cost of living continues to spiral. The minister was quick to attempt to shift the blame for the increases to the provinces because of some increases in provincial taxes and other charges. All he is doing is to confirm that the essential damage caused by the 11 per cent sales tax has penetrated into every segment of Canadian life. Today in Canada we have the highest cost of living in our history. We have the highest interest rates in Canadian history and we have the highest taxes in Canadian history. We also have the havoc that these conditions have brought to provincial and municipal budgets. Almost without exception municipal taxes during the past few months have been forced higher as a result of these deliberate policies of the Minister of Finance, the Prime Minister and the government opposite.

All these things have been brought about by a government which I cannot describe as anything but careless. They were aided in their program by the support they received from the New Democratic party. When the sales tax was first brought in the New Democratic party sat silent and refused to vote on that measure. They refused to defeat the government at that time. So they share some of the moral responsibility for the conditions which have developed within this nation and which have robbed the ordinary people of the standard of living they should have. Then they wonder why parliament does not work. Those who wonder why parliament does not work should wonder why they did not help to make a decision in a matter such as this which has such a great effect on the country.

Before I conclude I should like to say that one of our centennial projects should be the correction of the injustices that have been suffered by our original native population, the Indians. I think the people of Canada should re-examine their whole attitude and program concerning the welfare of these people. Somehow our efforts have failed to lift up and encourage them. The results have been most disastrous. Indeed, this is a matter in which we can have very little pride. The centennial of our confederation should be a promise to these people and to all the people of Canada.

Mr. Roxburgh: Mr. Speaker, would the hon. member answer a question?

Mr. Nasserden: I would be delighted.

Mr. Roxburgh: First of all, Mr. Speaker, I should like to congratulate the hon. member for his most excellent delivery. I do not think I have ever heard him speak before with such oratorical fervour. I should like to ask him what was the price of milk to the dairy farmers when the present official opposition was the government. I know he can answer this question in just a minute. Then I should like to ask him what the increase in the price has been in the last three years since his government went out of office.

Mr. Nasserden: I will be very glad to answer that question because the prices which prevailed when this party was the government were so much more satisfactory that we had a surplus of dairy products in Canada.

Mr. Roxburgh: You certainly did.

Mr. Nasserden: But since this government has been in office a situation has developed in which we have had to import dairy products.

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I too would like to take this occasion to compliment the mover and seconder of the address in reply to the speech from the throne. They were excellent speeches. I believe very few of us have heard better oratory than we did on that occasion.

In the few minutes at my disposal I should like to discuss an area about which I do not believe there has been a great deal of discussion during this debate. I refer to the current state of labour legislation, the desires of the labour movement, the effect that the aims and aspirations of the labour movement have had upon the government and, to a degree, the effect that government action has had on the labour movement itself. Also I should like to discuss what this development has been in political terms and how it relates to the Liberal party. I believe, that because of government action in the areas of major concern to labour and because of changing times the Liberal party and this government now have an entrée into the labour movement itself which has not been available to this party for many years. The elements which have contributed to this development are the rapidly changing circumstances of our society and the record of the government.

I do not believe that any political party, least of all my own which is a national party in scope and which for so many years has formed the government of this country, can view with any confidence the situation when one observes that the officials of the trade union movement—and I speak in terms of the trade union elite, the top leaders at the national level and the middle echelon of the local unions—are becoming so identified with one particular political party, the New Democratic party. I believe this places a responsibility on the Liberal party to examine this situation and take whatever action is necessary to rectify it, because I believe we can serve ourselves better as a party and serve the Canadian people better if we have contact with the leaders of the labour movement, welcome them into our ranks and see that they have an active and influential voice in the government and in our party structure.

I should like to elaborate on why I feel the record of this government has laid the basis for this type of entry on the part of the Liberal party into the official ranks of labour and why I think we have laid the basis for an appeal to these men of whom I speak. After a very cursory examination of this record I believe it will be seen that those leaders of the labour movement must take a new look at the Liberal party as a vehicle and as an adequate political party for them to be associated with in order to realize their aims and aspirations.

In looking at this situation further I believe there are three general large domestic areas of prime concern to labour. The first would have to be social welfare proposals and programs. The second would be labour legislation and the need for reform in this area, and in the narrow sense I would specify labour legislation. The third would have to be manpower policies designed to cope with technological change and over-all economic policies.

• (3:40 p.m.)

What then has been our record in these three prime areas of domestic concern to labour? Certainly under the first general heading, social welfare policy, since 1963 there have been massive legislative programs implemented which have re-oriented the whole basis of our social welfare structure in this country. In this regard let me mention the Old Age Security Act amendments which increased old age pensions to a universal $75 as a base and tied them into the cost of living. There was further legislation lowering the age level a year at a time so that by 1970 citizens 65 years of age will receive the basic old age pension. Let me also mention the Canada Pension Plan which I think ranks as one of the finest contributory pension plans in the free world. It has provided the means for universal coverage for all Canadians in our work force. The benefits payable under this plan when coupled with old age security give as generous an over-all benefit to Canadians upon retirement as those enjoyed anywhere in the free world.

The Canada Assistance Plan embodied a government endeavour to rationalize our multitudinous provincial and federal welfare schemes so they all could tie into a universal test, namely, the needs test, thus doing away with the arbitrary limits under the categorical programs where the $75 is the limit irrespective of the need of a recipient. The Canada Assistance Plan does away with that obstacle, and I think it will lay the basis for a dovetailing of all our welfare programs. It gives special benefit to all those needy people who are too young to receive old age security but who, because of some disability, are not and cannot fall within the coverage of the Canada Pension Plan, and it does not limit them to the $75 which is woefully inadequate.

Next let me point out the introduction of medicare which was a prime political rallying cry in this country not so many years ago. This has now been implemented by legislation and will be in force next year, the federal government being obligated to undertake 50 per cent of the cost.

I point out lastly the guaranteed income supplement which provides a further sum of money to those of our older citizens who are receiving the old age pension. This is based on an income test which obviates the necessity for the humiliating investigations that always accompanied the means test. It provides $30 per month for those who qualify under the income test, bringing their income up to $105 per month.

Certainly it would have to be conceded that in this first area of over-all concern in the domestic policy field, the record is quite impressive. It would be conceded immediately that it is not perfect and that there are other areas left to be dealt with including the cost of drugs and their inclusion in the future under the medicare plan. It would also include a widening of the coverage under medicare to cover dental care and so on. However, the basis for this has been laid which will guarantee that no Canadian will lack the fundamental means with which to survive, with shelter, food and the other necessities of life.

I say the basis has been laid and further programs will be of a minor nature not involving any fundamental ideals or ideology. They will just round out the basic policies that have been adopted. I have referred to drugs being included under medicare. Perhaps another over-all new policy which we must talk about now as a political party, and I am sure this is being discussed more by members of this party than those of any other, is the guaranteed annual income for all. This will be under intensive discussion by all politicians and certainly all economists in this country during the next few years. It is a policy which I am sure will inevitably be implemented in this country, and perhaps the sooner the better. If it should come, and I hope it does, it will involve the dismantling of perhaps all our welfare policies and the guaranteeing of an over-all minimum income for everyone. This seems to be endorsed by outstanding economists in the United States, some of whose sympathies are with the left and some with the right in the political spectrum. There seems to be a consensus developing that this is a wise policy.

[Mr. Munro.]

I have referred to some of the policies in this prime area which we have implemented as a party along with one over-all new policy, the guaranteed income which is under intensive study. I congratulate the Prime Minister (Mr. Pearson) for the suggestion in a recent speech that a task force be set up to study the implications of a guaranteed income for all Canadians.

The second area of prime concern to labour would be the labour legislation itself. We can look at our record in this regard with considerable pride. We can look at the Canada Labour (Standards) Code which sets minimum hours of work, minimum hours of overtime and minimum wage laws. We can look at our Canada Labour Safety Code which brought in a comprehensive safety formula to be adhered to for the protection of employees while they are on the job.

Another item which we implemented as one of our commitments is collective bargaining rights for civil servants. Our major commitments have been kept and our record here is a source of pride to many Liberals. Certainly it is a motivation to labour to look hard at Liberal party programs when they are advocated. This record is certainly justification for the sincere belief on the part of labour that these new programs will be implemented.

In terms of new policies in this over-all area we are also moving forward. I refer hon. members to the discussion going on in respect of compulsory arbitration and the discussion going on throughout the country regarding the use of injunctions. The position of this party in this area was laid out very well at the policy conference of the Liberal party held last October. The position taken at that time was spelled out in the following terms:

> Therefore this convention urges that the task force consider immediately:
>
> (a) That the labour relations services of the Canada Department of Labour be strengthened by expanding regional offices wherever necessary and by placing at its disposal more effective mediation services to facilitate continuous free collective bargaining;
>
> (b) Abolish the ex parte injunction and remove these disputes to specialized labour relations boards with power to put into effect appropriate remedies in appropriate circumstances;
>
> (c) To extend the use of industry, labour, management and government councils which would provide a forum for discussion, education and research, and co-ordinate with national economic policies, having due regard to the consultative service of the Department of Labour;
>
> (d) Establish an effective legal procedural framework for the conduct of continuous collective bargaining...

(f) Study special legislation for the settlement of disputes where the public interest is involved in essential public services.

It can be accepted that many members of this party wholeheartedly endorse those proposals which embody, in general terms, our attitude in respect of contentious areas such as compulsory arbitration and injunctions. I believe there is considerable sympathy within our party that compulsory arbitration should not be resorted to under any circumstances nor regarded as an instrument in solving labour disputes. I also believe that injunctions have proved inadequate as a means of resolving the differences between labour and management and have had the reverse effect of exacerbating the situation, creating further hard feeling between labour and management and making a meeting of minds all the more difficult. I believe a great deal of reform could be implemented in this respect and that we should undertake an extensive reform of our legislation in this area.

• (3:50 p.m.)

In this context I would quote the position taken at a recent C.L.C. convention in a paper presented by Mr. Osler which I believe was backed forcibly by many political spokesmen and many people in the ranks of labour and management. The position there taken—and I think it is a reasonable one—was not that all injunctions should be banned, because Mr. Osler did not think there was a possibility that any parliament would take such action, but that the following recommendations should be adopted:

No injunction may be granted by any court in connection with a labour dispute except after a hearing of testimony of witnesses in open court, on notice to those it is proposed to enjoin, with an opportunity to adduce their own evidence.

Another proposal in this area is as follows:

No injunction may be granted by any court in connection with a labour dispute, except after specific findings of every fact that is legally required to support such injunction and any such injunction may only prohibit

(a) specific acts requested in the notice of motion for such injunction and

(b) the commission of such acts by particular persons or organizations named in the injunction.

This was another proposal:

All injunctions issued in connection with a labour dispute shall be appealable as of right and such appeals shall be expedited by the court to which the appeal is made.

That is very similar to the law in the United States, the Norris-LaGuardia act which I think has proven its effectiveness. I believe we should copy that act in this country except that we should go further and say that jurisdiction in respect of injunctions in the labour-management context should be handled by labour relations boards as distinct from the courts. The personnel of the labour relations boards are composed of experienced people from management and labour who are better equipped to deal more realistically with this type of remedy.

In the area of injunctions I think the research that is now going on will afford some basis for alternative solutions. I believe that the recommendations to which I have referred are worthy of implementation by the government. In the area of compulsory arbitration I have indicated that I do not believe this system has been effective. I think we must reject it as a means of settling labour disputes. In those situations where there is absolutely no alternative, where there is a national emergency, where consultation and negotiation have not been effective in resolving the differences, and where massive unemployment may affect the whole nation despite all the efforts of both sides and the intervention of government mediation services, in short where no solution can be found, then compulsory arbitration should be imposed only by parliament. These are two prime areas of contention with regard to which I think this party is prepared to take a position. I do not think that all political parties would take a firm, unalterable position in these areas until the Dean Woods inquiry has been completed, which inquiry is looking into all these questions. I believe the results of this inquiry will afford a basis from which we can realistically assess what are the best methods to be used to resolve labour-management disputes in this country.

There is one other area of very grave concern to the labour movement and all citizens of Canada. It is a matter of grave concern to the Canadian government and, I believe, all political parties. I refer to the principle enunciated by Mr. Justice Freedman. I do not think there has been as much discussion as there might have been on this principle. I believe it is a good principle and should be endorsed. I would quote in essence Mr. Justice Freedman's recommendations. I think the house will agree that they are quite reasonable. In essence, Mr. Justice Freedman's principal recommendations are as follows:

Notice of intent, accompanied by adequate details of the company's proposals;

That is what the company must give to the union. The notice must indicate to the union just what the company intends to do in terms of technological change. The second proposal is:

> Arbitration to assess the effect of the company's plan upon the working conditions of the employes with a view to determining whether such effect would be material or otherwise;

Of course, that is what takes place during the currency of a collective agreement. The third recommendation is that there should be negotiations at the terminal date of the collective agreement. It is difficult for me to comprehend any other more reasonable solution to these problems. There has been a great deal of discussion in this respect; seminars have been held by management and labour. I do not think that anyone has yet come up with a more adequate solution. I believe that these findings of Mr. Justice Freedman warrant adoption as a matter of government policy.

That, Mr. Speaker, is a short review of what we have done in the more or less narrow field of labour relations. I have dealt with some of the major items of concern to labour about which this government is concerned.

The third area of major domestic concern in the field of labour is connected with manpower policies. Here I think the record of the government and this party deserves considerable commendation. I believe it is a record that the labour movement of this country must acknowledge as deserving of their accolades. I refer to the implementation of the labour mobility program and the occupational training program. These two programs should have far reaching effects. Under the labour mobility program we give grants to workers to move from an area of low employment to one with more adequate employment opportunities. We make allowances to the worker to set up a home in another area. We make it, in other words, easy for him to move. He is not penalized because of the move but is subsidized to do so in order to obtain gainful employment.

The occupational training program is a far reaching one designed to deal with dislocations as a result of technological change. We realize that people dislocated from employment must receive training and in our new society we must constantly be ready to receive new training. We recognize that the current skills of our workers may be obsolete five or ten years from now. This program is designed to assist workers who suffer dislocation as a result of automation which is introduced into the plants in which they work with the effect that they are no longer required. It gives them an opportunity to take training and obtain the new skills that are required. It also provides them with an income while they are learning new skills.

We still have the technical and vocational training program which is designed to assist our young people, although we are turning this program over to the provinces, as hon. members know, and are gradually phasing out of it. But the basis has been established which provides educational facilities to accomplish our aim. There have been massive federal government contributions in this area for many years. I believe this program is now sufficiently well established for it to be turned over to the provinces.

Another area in which the federal government has taken action in the over-all manpower field is in the setting up of pilot projects in co-operation with the provinces to research new methods of training that will best take into account a person's capabilities and basic education and will provide methods by which his education and skills can be upgraded. In other words, it is a research project to devise the best means of retraining our people. We have moved into the manpower field to set up the manpower consultative services. This is going to be of great assistance to both management and labour in tackling technological change.

• (4:00 p.m.)

I should like to refer to one aspect of the program, namely the tremendous emphasis that has been placed on research as to what are the best proposals to cope with this problem, as well as the grants to be supplied by this service to both management and labour who wish to work together to adopt a research project on how best to implement their plans. If management decides it is going to have to adopt technological innovations or automation which is going to cause severe dislocation, this service is prepared to give grants to management and labour to assist them in researching this program so the dislocation can be minimized, and at the same time advise on measures for retraining workers presently employed by the plant so they can be effective when the changes are implemented.

Another area of manpower policy in which we combine with the provinces to be of assistance is the rehabilitation program so that

the handicapped people, more or less the drop-outs from our economic system who, because of their disability, have not been able to do rewarding work and who have not felt they could make a contribution to the country, can be retrained to come back into the work force. Another policy in this over-all area is our employment stabilization program. I talked about our winter works program and the incentives to municipalities to undertake construction work during the winter months when seasonal unemployment is high.

The department has also set up a program of development services designed to research and come up with new programs primarily to deal with seasonal unemployment. This is quite a record. I think it is a record for which the government deserves credit from the labour movement. I think the Freedman principle can be again thought of in terms of manpower policy, just as it could be in terms of labour policy.

I believe the recommendation of Freedman that notice be given before management decides to implement technological change is a good one. It will soften the harsh effects of dislocation. I think it could be embraced equally well in manpower policy. Here we have the record of this party in three prime areas of concern to labour. I have just indicated in a very cursory fashion the record on social welfare policies. The second area, in the domestic field—I refer to labour legislation—have mentioned and outlined the record. In the third area, manpower policy, I have mentioned the record. It is an impressive record indeed. I feel the record in these areas should lay the basis for the Liberal party's entry into the official labour movement in terms of being a political party that can reflect their aims and aspirations and can be an effective instrument to implement them.

I have talked of some of our new policies in these three areas. Certainly, in the social welfare field, the program for a guaranteed annual income for all Canadians must rank very high indeed. Certainly, in the labour legislation field, I would think we should take another look at our minimum wage legislation to test its adequacy in view of the inflated cost of living. I believe that $1.25 is not as realistic a minimum wage as it was three years ago when it was implemented. I believe the position on compulsory arbitration must be a firm one, and must be taken by the government. I have referred to the last area of manpower policies, many of which are designed to deal with technological change and the dislocation resulting therefrom. This, in conjunction with the Freedman proposal, I think will go a long way toward coping with some of these major problems.

By way of conclusion, Mr. Speaker, I should like to refer to the technological change which has brought about changes in the labour movement. I feel it is time for continuous negotiations to be held between management and labour and not just near the terminal date of a collective agreement. These talks should be held during the currency of a collective agreement. I believe our rapidly changing society, our society of affluence brought about by tremendous technological changes, in conjunction with the Freedman proposal, imposes an obligation on labour and management to meet continuously during the currency of a collective agreement. Inevitably, this will bring labour and management closer together.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I think we will all agree that the speaker who has just taken his seat has given us a remarkable and extraordinary speech. He has wrapped himself in the mantle of the champion of organized labour and says that "labour should take a good look at the Liberal party." We could not agree more. Labour should take a good look, a first look, a second look and a third look and make them all good looks at the Liberal party. The more they look, the more convinced they will become that the Liberal party is a party of broken promises, evasiveness and double-crossing. The record will show that the Liberal party, in government, is a party that does not bring down policies and legislation because they are necessary or right. As a government, it brings down policies and legislation because it is driven to do so by force of circumstances, by public opinion or by fear of the opposition.

Yes, take a good look at the Liberal party which has been in power now for a number of years. Last month there were approximately 400,000 unemployed in the Dominion of Canada. This government has been unable to solve the problem of unemployment. At the same time, after years in office and with 400,000 unemployed, they have not been able to produce a successful program for training our unemployed. In addition, today the government is spending thousands and thousands of dollars in the United Kingdom and other countries throughout the world advertising for immigrants and saying they will pay half the fare. They are advertising for butchers, bakers and candlestick makers, electricians,

carpenters, draftsmen and clerical workers. I was just reading the advertisement a couple of days ago. Yes, take a good look at the Liberal party, which has been in office and still has not come up with the answer to the housing crisis. Yes, look at the Liberal party, and look at them on July 1 of this year.

In the city of Vancouver for about 50 years the pony express has been picking up and delivering the mail. However, in Montreal, Toronto and Vancouver, starting on July 1, the Post Office Department is going to take it over. They are taking over in Vancouver on July 1, and there will be no guarantee of employment for those who have given a lifetime of service in handling the mail. Many will not be able to get these jobs. Those who do get work, according to the Civil Service, will be paid ten cents an hour less than they are getting today. Yes, labour, take a darned good look at the Liberal party, and then you will realize why it has to go down the drain and is not worthy of support.

Now, Mr. Speaker, we also had another interesting address from the hon. member for Lapointe (Mr. Grégoire). I am not going to take his approach or follow his directions. I want to say without being trite or using any clichés that we should all be proud to be living in Canada and to be called Canadians. We may not be too happy with certain situations, but we should all be happy at the developments and advances that have taken place in the first 100 years of Canada as a nation.

• (4:10 p.m.)

I look forward not in the next century but in the next few years to even greater advances and developments in Canada from coast to coast—from the Pacific to the Atlantic and from the Arctic circle to the international boundary. I look forward to advances, not of the kind suggested by the hon. member for Lapointe (Mr. Grégoire) and others like him but advances based on a united Canada, based on co-operation between provinces and between the provinces and the federal government. I look forward to advances which are based upon equality of all Canadians, irrespective of ethnic origin, language or colour. I look forward to a really united nation of Canada in the second century, and I hope that this development will not be very long delayed.

There are so many important matters that are facing our country, Mr. Speaker, that it is almost impossible to cover them all in 30 minutes. However, I desire very briefly to give my views about, and to comment upon some, important issues as I see them.

First I want to make reference to constitutional revision. I personally am bitterly disappointed that it has not been found possible to patriate the British North America Act to Canada, as a centennial birthday gift. I cannot do otherwise than lay the blame for the absence of patriation of our constitution in this our centennial year upon the procrastination of both the present government and the previous government.

I am very sorry to note the policy indications that we have had in this regard. Certainly I cannot conceive of a responsible government, even an irresponsible Liberal government, suggesting a bits and pieces amendment to something as important as the constitution of Canada. I certainly hope a more practical and realistic policy than that is forthcoming.

Neither can I conceive that the government would throw this entire issue holus-bolus into a dominion-provincial constitutional conference at which apparently every organization that is interested would be represented. I believe there must be a more practical approach than this. This is only my opinion, Mr. Speaker, but I think it is accepted by the members of our party.

If, as the government says, it is going to make an extensive study of our constitution, I think the first move should be to bring in a white paper. We should then refer that white paper to a joint committee of the Senate and House of Commons for study. The committee could hear representations from experts and from organizations that have something constructive to suggest. The committee should then bring in its report to parliament, which could be used as the foundation for a properly organized dominion-provincial conference to ascertain whether, on a practical, realistic and responsible basis, the conference can come up with the answers to two important questions, namely how to bring the constitution home and how to amend it. I think a move in that direction will put us in the position of asking the government of the United Kingdom, through a vote of this House of Commons and Senate, to send the constitution home to its native land.

Alongside the constitution question lies the matter of the Bill of Rights. Although the Bill of Rights is of utmost importance, I personally do not agree that we should be satisfied with its being on the statute books of Canada or of the provinces. What one parliament can

do succeeding parliaments can undo. No parliament can bind a succeeding parliament. I believe that the constitutional rights and freedoms of our people should be laid down in the constitution of this country so that they cannot be monkeyed with at the whim or fancy of political parties or governments.

A great deal has already been said about the housing crisis, so I will not deal with it. I merely say that housing is a matter of the utmost importance in the city of Vancouver, particularly in my constituency. I will have something more to say about this subject at a future date.

I think dominion-provincial relations are of such importance that we should have immediate action. The fathers of confederation could not realize 100 years ago the developments and changes which would take place in Canada. They could not have dreamed there would be three levels of government today, not two. Therefore we need a new relationship, a new understanding, a new realignment of responsibility between dominion, provincial and municipal governments. This can only be done through dominion-provincial conferences with co-operation and understanding. I will deal with this in more detail later.

Viet Nam is another most important matter. It has been discussed and will be discussed again, so I am not going into detail on it.

That of necessity brings me to a matter which I know is deep in our minds and hearts at the present time, and this is the situation in the Middle East. I want to comment briefly about it because I have maintained both inside and outside the house that in my estimation the United Nations is the greatest organization yet devised by man in the hope of finding peaceful solutions to the difficulties that arise between nations.

I have been most happy, as I think we all have, at the accomplishments that the United Nations has been able to achieve since its birth. It is therefore most disheartening to see the current developments in the Middle East taking place. I am afraid that the action of one man, in conjunction of course with the actions of two or three other countries, has done a great deal to undermine the status and influence of the United Nations. I think it is a terrible thing that one man, or even one country, should be in a position today to damage the United Nations in this way, a body which, as I say, is the hope of mankind for bringing about peace in the world.

I had the privilege of being in Israel in 1949 and again in 1959. I have seen the fantastic progress that has been made in that country. I have seen the desert reclaimed and the lost mines of 2,000 years ago rediscovered and developed. The country and its people are working as one toward an objective which is in the interests of all. I have seen workers trained and there is equality for all.

I should like to make particular reference to the Arabs, who are not refugees outside of Israel but are citizens inside of Israel. I compare them to those outside the border for whom nothing is being done by the Arab countries that are now endangering the peace of the world. These people are left in misery, dependant upon the rest of the world, through the United Nations. They say that they are on a sacred march, but I think that we should do our utmost as Canadians to let these countries know that we cannot allow them to endanger the peace of the world.

I want to express my personal regret that U Thant did not stand firm upon the recommendation of Canada and the United States and maintain our peace keeping force there, so we could see what Nasser would do about it. I believe that in the last day or so we have slipped backwards because of the lack of decision, indeed I would say the lack of intestinal fortitude to challenge these unfortunate developments that we see growing in the Middle East.

• (4:20 p.m.)

I mentioned that I wished to speak of dominion-provincial relations, and especially those affecting my own province of British Columbia. I recognize that there are many problems and difficulties, but there must be a sense of understanding and responsibility. I realize how difficult that is when one tries to deal with Premier Bennett of British Columbia—a man who is arrogant and irresponsible, and a headline extrovert. He has no sense of responsibility as a Canadian. That has been evidenced time after time.

Not long ago, Mr. Speaker, Premier Bennett asked the Minister of Finance (Mr. Sharp) for a loan of $100 million, but did not say why he wanted it. When the Minister of Finance replied, saying: "Please be more explicit", Premier Bennett did not answer. A few days later when speaking in Vancouver Premier Bennett said that he did not wish to borrow $100 million and that if Ottawa had not $100 million he would loan it that sum. How much more irresponsible can a premier be?

The other day at a press conference in Vancouver, when the premier was asked about the $100 million, he is reported to have said: "I did not mean it, anyhow." He said that he was calling the bluff of the hon. member for Coast-Capilano (Mr. Davis) who said that for specific purposes Ottawa had $200 million for the provincial government, should they ask for it. In the name of heaven, what kind of response is that? At the same conference Premier Bennett is reported as saying—why, he could save $300 million right in Ottawa were he the minister of finance in Ottawa and not minister of finance in British Columbia.

If the man were a true Canadian he would not say that. If he knows where we can save $300 million, he ought to say so. But, then he has no intention of coming here. I also understood him to say that if the Supreme Court rules that the federal authority had control over the continental shelf, then to heck with the Supreme Court; the provincial government will pay no attention to it.

I mention these things because I do not want it to be thought that I am just shooting off when I say that the premier is arrogant, irresponsible and a headline extrovert. Even so, we must find some way of sitting down to discuss problems which are vital to British Columbia in general and to Vancouver in particular. I would not wish the federal government to go kowtowing, or boot-licking, to any provincial or municipal government; but I would honour the federal government if it recognized the tasks that have to be faced in British Columbia. The decisions to be made ought to have been made a long time ago, and much initiative will be needed to start negotiating with Premier Bennett, "Flying Phil" Gaglardi, the minister of highways, and others in British Columbia, on some of the issues facing the lower mainland of British Columbia.

We are now far advanced with the construction in Vancouver of a new international airport; it may be completed in 18 months, yet no decision has been reached about a new access route, whether it should be a bridge or a tunnel. When the new airport is opened a new access route must be opened at the same time. Vancouver city council says that this is not its responsibility; the province says it is not responsible, and Ottawa says it is not responsible. As a result, the people of Vancouver will be left with all the present inadequacies. I say that we must all get together and not pass the buck; we must reach conclusions, and start a tunnel or a bridge.

What I say about the new access to the international airport applies also to the new thoroughfare across Burrard inlet. The longer we delay with this project the more it will cost, and the figures are mounting all the time. The cost was estimated to be $15 million, then $20 million, then $33 million. Now they are talking about $100 million, but there are no plans and there is no action.

The province of British Columbia says that it will not talk to Vancouver city council, but that it will talk to the mayor. As near as we can figure out, the province will not talk to Ottawa at all; yet it expects help from the federal government. We cannot afford any more delays. I know the difficulties and the personalities, but I plead with the government to eat humble pie, if necessary in the public interest and to take the initiative to enable all three levels of government to come together on the important question of highways and approaches in the city of Vancouver and the lower mainland.

In particular I ask that something be done in the planning and development of Vancouver harbour. The other day I got in touch with the Minister of Transport who was kind enough to advise me of the capital expenditures made by the National Harbours Board in Vancouver. In 1963 the expenditure was approximately $4 million, in 1964 approximately $1.5 million, in 1965 just over $3 million, in 1966 just over $5 million, and the estimated expenditure for this year is almost $17 million.

We appreciate the increased interest and expenditure, but more important even that the $17 million of capital to be expended by the National Harbours Board in Vancouver this year is the planning for the future development of the Vancouver and adjacent harbours. Vancouver harbour is not fully developed, and I think it would be wrong to go outside the Vancouver area, to the adjacent harbours, until the development from Lion's Gate bridge to Port Moody has been completed. According to the study by Captain Johnson of the National Harbours Board in Vancouver it is possible, with adequate planning, to develop Vancouver harbour to accommodate the largest ships that will come to the Pacific coast within the next 12 years.

That being so I find it difficult to understand why the province of British Columbia says: "To heck with the federal government;

to heck with their planning; to heck with what the Minister of Transport says, that the federal authority is supreme."

I shall now read part of the minister's letter which he sent to me on May 9 of this year:

> The boundaries of Vancouver Harbour have been extended to the International Boundary and a survey is now under way by Swan Wooster of the long-term development of this area whenever traffic prospects require it.

The federal government says that it has jurisdiction from Vancouver to the international boundary, yet the provincial legislature this year passed an act to build a deepwater port at Roberts Bank. I have been advised moreover by the harbour commissioners at Vancouver and by private industry that planning is under way to develop a harbour between Lion's Gate bridge and Port Moody to take care of any increased port traffic coming to Vancouver.

• (4:30 p.m.)

Thus we find the provincial government putting forward legislation to authorize the expenditure of $25 million outside the city of Vancouver, at a time when private enterprise was explaining that it had not gone ahead with its development plans because it was not certain they could be made to pay for the next ten years. This is a ridiculous situation in development planning as undertaken by private enterprise, the provincial government and the federal government. Surely in this day and age of so-called responsible government we can ask that industry, the province of British Columbia and Ottawa should get together on a scientific basis to plan the development of Vancouver harbour, and extending down to the international border, so that we get a dollar in return for a dollar spent and do not just jump in for the sake of self glorification, a procedure which can only mean a loss to the government, a loss to the taxpayers, a loss to industry and a loss to the nation.

No matter how you look at it, whether it is a question of bridges, highways, channels, harbours, urban development or slum clearance on the lower mainland, I suggest we cannot remain in the morass of indecision in which Vancouver is being left at the present time because of uncertainties as to jurisdictions and the clash of personalities. As a long-time member for Vancouver, having lived in Vancouver since 1910 and represented the city for some 34 years, I plead that some initiative be taken by the federal government to see whether we can stop the bickering, get some planning and get construction under way.

May I conclude as I began? We shall have differences among ourselves as individuals, and between political parties in opposition to the government. There will be disputes between provinces. Unfortunately at times there will be misunderstanding between peoples. May I say we should all in our centennial year be proud of the advances made in the past 100 years, and according to our conscience and understanding as true Canadians do our thinking, our talking and our planning as far as humanly possible on the basis that in the next hundred years we shall see a united Canada blessed with complete equality, and making a contribution beyond our boundaries to international security and world peace.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I do not intend to keep the house very long. Several times in the last five years I charged that the C.B.C. was a nest of socialist elements, on the French side as well as on the English side.

I meant that in the fields of news and in the choice of programs to be shown to the Canadian public, for instance, most of the people holding senior positions are socialists.

I think that the C.B.C. which is financed by the taxes of the Canadian people as a whole should have been taken to task a long time ago.

Mr. Speaker, I have a quite recent example to give, since it is a program called "Coup d'œil" which was broadcast last night at 7.30. During that program a Mr. Gil Rémillard, free lance journalist and commentator, a student at the University of Ottawa who works as such to pay for his studies—something for which he should be commended—talked about the elections of next May 29 in the riding of Hull.

I listened attentively. I do not recall the name of his collaborator last night or that of the man who questioned him, but the two seemed to have the same opinions. The first one to be interviewed by Gil Rémillard—note that his name is not Gilles but only Gil; one wonders if it is Gil or Gil, but in any case let us say Gil—was Mr. Émond, the Conservative candidate. He put quite an easy question to him: Mr. Émond, what are your views on the

W.Q.R.E.C. report? Mr. Émond replied: Well listen, I am new in politics, I was chosen only a week ago as a candidate, so I would have to consider the matter to tell you about the W.Q.R.E.C. report and the conclusions of the famous report in question.

Now, Mr. Émond, being new in politics, could not answer and naturally did not answer. And the comments between the two C.B.C. birds, following that interview were to the effect that Mr. Émond is a figurehead candidate and nothing else. A barber and figurehead candidate.

The second guest was Mr. Thibault, the New Democratic Party nominee. He was asked what he was doing for a living? Mr. Thibault is a businessman, etc. He was asked: Mr. Thibault, have you read the W.Q.R.E.C. report? Are you in favour of a federal district comprising Hull and Ottawa? Are you in favour of a type of separatism, not associate states, but a special status for Hull and area?

Mr. Thibault, naturally, wants more for Hull, but not necessarily a special status. He says that he has studied the W.Q.R.E.C. report, yet he does not look convinced. The W.Q.R.E.C. report deals with a federal district but opposes the idea. At any rate, the two commentators, Mr. Gil Rémillard among others who replied to the other C.B.C. employee, told us after the interview that Mr. Thibault at least knew the W.Q.R.E.C. report. He is therefore more competent than the other, Mr. Émond.

Then, he asked Mr. Gendron, the Liberal Independent candidate, whether he had been paid by the Créditistes to become an Independent candidate, or Liberal Independent, for the May 29 election. He also asked him what he thought of the W.Q.R.E.C. report. Mr. Gendron has not had time to study the W.Q.R.E.C. report, Mr. Gendron did not know the report existed.

By the way, Mr. Speaker, there are not many people who know what W.Q.R.E.C. means. If N.D.P. members here in Ottawa were asked, not many of them would know what it means.

And so, the young fellow from the University of Ottawa, trying to stump the candidates, kept asking them the same question: What do you think of the W.Q.R.E.C. report? He had just discovered W.Q.R.E.C. There is a tendency these days, Mr. Speaker, to present reports on all sorts of things and to abbreviate the names by using the first letters so that nobody understands anything.

[Mr. Caouettte.]

We have been hearing about ARDA for five years in parliament. And let me tell you, Mr. Speaker, that less than 5 per cent of the Canadian population know what ARDA means.

I thought someone was going to ask me if I knew myself.

Mr. Speaker, ARDA stands for the Agricultural Rehabilitation and Development Act, but nobody knows it. During an interview with the Créditiste candidate René Villeneuve, he is asked: Are you in favour of a federal district? Are you in favour of a special status? And he answered those questions clearly, as well as any of the others, even better. Then, Mr. Gil Rémillard concludes by saying: All things considered, the only one who gave good answers was the N.D.P. candidate.

• (4:40 p.m.)

When he tried to meet Mr. Caron, the Liberal candidate, the latter refused to take part in the program. And the only explanation given was: But Mr. Caron is the son of the other Caron who died only recently and who was member for Hull for many years. Since Mr. Caron is sure of being elected, he does not need the C.B.C. or the press. That is a fair summary of yesterday's interview with Mr. Gil Rémillard, a free-lance journalist and commentator often seen on the C.B.C. As for the other, I do not know his name.

It was acknowledged that the best candidate was probably Mr. Villeneuve, the Créditiste candidate, but that he only gave vague answers. He answered like Réal Caouette. He avoids questions. The only one who gave good answers, according to Mr. Rémillard, was the N.D.P. candidate, and the only one who stands a good chance of getting more votes. They were beating around the bush, in short, they were trying to gild the lily as much as possible in an attempt to ridicule the others. That is the kind of people we have in the C.B.C.

About a week ago, the New Democratic Party held a convention in Montreal. For two consecutive days, again with the approval and blessing of the news organizers of C.B.C., Mr. Laberge, a union leader of the Q.L.F., was presented and he showed all his enthusiasm for the N.D.P. and the socialists. Mr. Cliche was also presented and, in addition, during four or five minutes, they broadcast news concerning the Canadian socialist party.

Mr. Speaker, I do not ask for a preferential treatment for our group. Not at all. In fact, I

do not request it for anyone, but I do not want the C.B.C. to be used by anybody in Canada as a political springboard. On the contrary, let the opinions of others be respected.

Some hon. Members: Hear, hear.

Mr. Caouette: Mr. Speaker, a C.B.C. commentator, and this is serious, a boy like Péladeau in Montreal, for instance, is more important than a minister of the crown in Ottawa. Can anyone understand that? And to think that in the C.B.C. when you are called or invited there, you trip over socialists who are there to give you either results or service.

An hon. Member: Separatists too?

Mr. Caouette: As to separatists, some moderation is exercised, because there has been so much criticism, in fact Mr. Bourgault is not invited there as often now. That crown corporation is made up of separatist-socialists for the province of Quebec, and socialists for those who still believe that Quebec can remain within confederation.

The C.B.C., which costs us thousands of dollars a year, is the nest of Canadian socialists. Those bearded men do not pay the C.B.C.'s expenses; however they are the guests. As soon as a second grade socialist from France, Belgium, Sweden, Russia or Czechoslovakia, comes over to Canada, immediately he is sent a fine invitation to give him half an hour, if not an hour on the C.B.C.

But when something happens here in parliament or when there is some new idea from a Liberal, Conservative, N.D.P. member —all right, the same as the others—or a Social Credit or Ralliement Créditiste member, it is a different thing altogether. In fact, Mr. Speaker, it must be over a year and a half now since we were invited for comments by the C.B.C. However, to those programs are invited, for instance, young men like Gil Rémillard to praise the New Democratic Party, whose candidate knows absolutely nothing about the riding of Hull.

Mr. Speaker, it seems to me that parliament should be more conscious of what is going on in the C.B.C. We had several examples of the position of the corporation. I refer to those two young men who appeared that evening. I do not know the name of one of them, but the other was Mr. Rémillard responsible for the interview in the program "Coup d'oeil." There was another one who was once dismissed by the C.B.C., because he was exaggerating and I am referring to Laurier Lapierre, a candidate of the New Democratic Party in one of the Montreal ridings.

An hon. Member: He will be defeated.

Mr. Caouette: He will certainly be defeated, Mr. Speaker, but he was the one who was doing socialist propaganda in the C.B.C.

There are others also. For instance, we had a Mr. Bouchard, who was in charge of the miners union in Noranda and who was transferred to Toronto. Once transferred to Toronto, he became an employee of the C.B.C., without any experience whatsoever. The C.B.C. in Montreal is full of socialists and such conditions have been tolerated for too many years, I think. One is afraid to take the bull by the horns; one takes it by the tail and is being pulled from one side to the other, driven by a few insignificant people who believe they are ruling Canada and who defy parliament, members of the government, even the Prime Minister (Mr. Pearson). We know it, for we often hear the hon. Secretary of State (Miss LaMarsh) saying, whenever we ask a question about the C.B.C.: The C.B.C. is a crown corporation, but it is self-administered, it makes its own decisions. I suggest we should have a parliamentary committee, wherein parties would be represented, so as to make decisions from time to time as regards the administration of the C.B.C., in short, to expel the rats that are there and free this state corporation, which should serve the people and not a political sect, no matter what it may be.

Some hon. Members: Hear, hear.

Mr. Caouette: When we consider the operation of private television networks—at least those I know, such as channel 10 in Montreal—we find that the climate is quite different from that of the CBC. Channel 7 in Sherbrooke is altogether another matter. You get results with private enterprise, but now we find that state enterprise is in the process of establishing itself in an ivory tower where no one can criticize it any more; as a matter of fact no one can express his views, or everyone fears to speak up.

The stations at Trois-Rivières, Rimouski, Rivière-du-Loup, Jonquière, Rouyn-Noranda, are private stations where we get service. When I tape television programs in Rouyn, all I need is one cameraman and one controlman, or two employees. I tape two, four, six programs, I send some to Quebec by the C.N.R. and there are only two employees over there.

When I am invited by the C.B.C. in Ottawa, Mr. Speaker, I have to watch a deadful performance. You ask for a blackboard, a desk or a chair and what happens? One employee is not allowed to touch a chair, another cannot touch a desk and the third cannot touch the chalk used to write on the blackboard. You see some thirty employees running around the cameras and bothering you, and that is all. A lot of time is wasted and a lot of money belonging to the Canadian taxpayers is spent, but when we criticize this system, we are told: You want to destroy the C.B.C.

In that case, Mr. Speaker, it is about time we destroyed the C.B.C., if we can manage to do so, before it destroys us as a nation. In saying this, I do not speak in favour of a political party, but I speak in favour of each political party being represented and having its say on the C.B.C. We have stood these know-alls who wilfully lead us by the nose long enough. Every time you enter a studio they glare at you balefully, but if you are a socialist you are ever so welcome in that hot-bed of Canadian socialism.

Mr. Speaker, if private television stations were run like the C.B.C. is now, not one of them would still be operating next Tuesday morning; all would be bankrupt.

And yet we hear people such as René Levesque criticize the private television stations which, at least, make money, whereas the C.B.C. eats up the money, which is not the same thing. Blame is heaped upon those who make profits, who get better results and at less cost than the C.B.C. which does not make profits but requires supplementary estimates from year to year. In my opinion, it is a loss of time and of money to keep in office people who are not worthy to be there. Take them away and ask them to work elsewhere. But no, the C.B.C. is their business; they are the ones who decide, who run the business, who take the decisions.

• (4:50 p.m.)

I repeat it, we, members of parliament, are innocent and powerless to act; in short, we are merely passing here, whereas they are there to stay and, in fact, are staying.

Mr. Speaker, for five years I have been denouncing socialism in the C.B.C. I am ready to discuss socialism with anyone of them on radio or TV. Furthermore, I am on the verge of issuing a list of names of employees in Montreal, Ottawa and Toronto whom I will identify clearly to the Canadian people as genuine socialists, if not out-and-out communists, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Caouette: You may be assured that I will have no fear of naming them. I just named one, Gil Rémillard, well known socialist, and avowed at that. That was obvious. Those who listened to the program last night at seven thirty noticed it: it was infiltration from beginning to end. None of the other candidates are any good; the only one is Mr. Thibault, candidate for the New Democratic Party. And that is going on here, at the C.B.C.

And what about the C.B.C. employee? Admitting that Gil Rémillard is but a free-lance journalist and commentator, the other one with him was not a free-lancer, but indeed a C.B.C. employee. Besides, he said it first: The best candidate, the one who knows best where he is going is Mr. Thibault. It goes without saying that he is the N.D.P. candidate, because he admitted he knew the W.Q.R.E.C. report.

I have not yet said what the W.Q.R.E.C. was, Mr. Speaker. If, with some hon. members, this afternoon, I were to go to Main street in Hull in order to meet lawyers, notaries, influential merchants, big businessmen, industrialists, and ask them what W.Q.R.E.C. means, not 2 per cent of those people could tell us. They do not know.

But young Rémillard wanted to show that he knew more than the others when he used the expression W.Q.R.E.C. But he never said what that meant. W.Q.R.E.C. means the Western Quebec Regional Economic Council. That is what W.Q.R.E.C. means. But nobody knows that. Everybody uses the first letter of each word. It is as if I had said on the C.B.C. last night: This program has been conducted or directed by G.R. Who is G.R.? Nobody would have known it. And yet, G.R. is Gil Rémillard.

People think they are clever when they give only the first letters of a name or word. The Western Quebec Regional Economic Council is not at all for the creation of a federal district, and yet we are accused of not answering the questions asked.

Mr. Speaker, a federal district is more and more essential in our area. The first thing is to set up a plan, to establish the structure of such a federal district that would respect, not only the identity of Ottawa and Hull, but also that of Buckingham, Masson, Gatineau, Aylmer, Lucerne, Deschênes, in brief all the

municipalities that would be parts thereof. A federal district is essential, especially on account of the present conflict between two provinces, in our area. It is not a federal-provincial conflict, but a conflict between Ontario and Quebec, two separate provinces. The province of Ontario has its own laws, in the same way the province of Quebec. In fact, they are so distinctive, that the legislation is not the same here as it is on the other side of the river. The education system is different on one side of the river or on the other. Everything is different. There are scores of differences between the two.

Mr. Speaker, I believe that the creation of a federal district is becoming more and more imperative. To the extent it would respect the identity of each of the existing groups in our area, a federal district would be enormously useful to Ottawa, Hull, and the neighbouring municipalities.

This is my opinion. I believe that this opinion is more than ever concurred in even if it is not shared by the Western Quebec Rural Development Board which may also undergo some changes. At the beginning, several years ago, ARDA was not as it is today. It has developed and changed, because only fools will not change their minds.

Mr. Speaker, in my opinion, a federal district will be established in this area but as I said earlier, the identity of each existing organization will be respected.

Mr. Speaker, those are the few comments which I was anxious to make in connection with the infiltration of socialists and even communists in the C.B.C. and I think that other hon. members should rise from time to time to fight against the prevailing conditions there.

And when I said a while ago that even ministers and the government are challenged by the C.B.C., it is true. You have big wheels in the C.B.C. who are more important than the government.

So then, I cannot say this is a democracy. If you call those people to order you hear cries of dictatorship. And what are they offering us just now in the C.B.C. if not a true dictatorship?

No one has any right to his opinion, except those who are in the corporation. They invite people who share their views, Mr. Chairman; it is high time to clean up the C.B.C.

Let us cleanse the Augean stables!

For those who do not know, the Augean stables had not been cleansed for 30 years. They sheltered 3,000 oxen. The flow of a river had to be diverted to cleanse them since it was impossible to do so with small shovels.

Today, Mr. Speaker, I think that it might be worthwhile to divert the flow of the St. Lawrence river to cleanse the stables of the C.B.C., to decontaminate a little the corporation and to appoint responsible people with whom it would be possible to talk, to discuss, people who, because they are employees of the state—in fact it is a crown corporation —would have respect for those who sit in the house and not only for a system, or a trend of thought as is the case now.

Mr. Speaker, those are the comments I had to make. I hope that the C.B.C. people who will read what I have just said, will have a grudge against me strong enough to modify their attitude, to act as true Canadians and not as an isolated party which from its ivory tower tries to control everything in Canada. I hope that they will remember that they are the servants of the Canadian people, and that they will recognize the right of everyone to his opinions and to express them through the government's broadcasting system.

• (5:00 p.m.)

[*English*]

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, as one who had the privilege and the somewhat unnerving experience of making his maiden speech on his first day in this Centennial Parliament, sharing the honour with the hon. member for Dollard (Mr. Goyer), I pay the highest tribute to those who followed us in opening the throne speech debate in this second session. No one could have carried out this duty with greater distinction than did the hon. members for Burin-Burgeo (Mr. Jamieson) and Nicolet-Yamaska (Mr. Côté).

Each of us is tempted at such an historic time in our country's life to look back on its accomplishments and those who wrought them. I am grateful to those who, through the century and even before, made their contributions to the building of this nation. We can learn from their labours and I hope we will, but we must not become preoccupied with the past. I suspect the fathers of confederation were more concerned about the future.

I feel the speech from the throne caught that spirit. It looked ahead, setting our sights appropriately high as we enter our second

century of confederation. I welcome particularly the emphasis on elevating the quality of life and enhancing the environment of our people; the determination to tackle problems which know no jurisdictional boundaries; the federal initiatives promised where provincial action needs to be stimulated and supplemented in the national interest. I should like to talk today about many of the matters forecast for this session. I have decided, however, to talk of none of them. Rather I should like to suggest adding something of value to that impressive program.

Canada's future must be our prime concern today. More than ever it demands that we look outward at the international environment in which our country lives and must live. At this moment in our history when we feel most Canadian, we must recognize more clearly than ever before that we are citizens of the world.

In facing this reality, one paramount challenge looms above all. On it turns to a frightening degree the prospects for eradication of war, of hunger, of illiteracy, or for global destruction in slow or sudden fashion. That challenge is China.

In the May 20, 1967 issue of the *New Republic*, Harrison E. Salisbury of the New York *Times* said:

> The critical question of our day—indeed the question on which the fate of the United States and the world may soon hinge—is whether America and China are to engage in a land war in Asia.

Mr. Salisbury went on to note that this is a question which has hardly begun to engage the attention of this nation. I would carry his statement one step further and say that the fate of the world may hinge on the degree of understanding between that quarter of the world which is China and the rest, perhaps particularly North America.

I venture no pronouncements today on what Canadian policy toward China should be or what Canada should do now, next week or next year in its relations with China. I hold views which I have expressed and will express on other occasions, but I am not optimistic that any step now by Canada will produce magically a close and constructive relationship with China in a few months or even a few years.

The Toronto *Globe and Mail's* Charles Taylor warned against such optimism in the summer of 1966 issue of the *International Journal*. After outlining the background of China's foreign policy he summed up his article in this way:

> For these reasons, the West (and especially the United States) should not expect that tentative gestures of conciliation will evoke a positive response from Peking. Given the history of the last 150 years and China's basic grievances, rude rejections seem more in order (it is far from certain, for instance, that the Chinese would show any interest at present in joining the United Nations, even on terms that satisfied their basic precondition—the expulsion of the Chinese Nationalists). Gestures must be made, and they must be substantive in order to strengthen the position of any relatively moderate faction contending for power in the post-Mao period. But there should be no illusions about quick success, since to convince the Chinese that it is in their interests to play a more reasonable role in world affairs will take many years of patient and persistent diplomacy.

What we need to do, I suggest, is take a long range view of what we in Canada can do to bridge this chasm of ignorance and distrust. We must not deceive ourselves about the magnitude of the challenge, but I believe Canada is capable of tackling it. We have taken a very creative role in world affairs, perhaps a unique role among nations. We must continue to search for constructive contributions to global peace and progress. One such contribution could be a patient but determined effort to close the gap in understanding between China and the rest of the world.

A Canadian newspaper, the *Globe and Mail*, has brought us closer to China by maintaining a full time correspondent there—the only newspaper of the Western world to do so. In fact, there are just three other full time western correspondents in China, and they are representatives of European news agencies. The *Globe and Mail's* contribution to better understanding of China, not only in Canada but elsewhere, has been valuable.

There are, of course, other newspapermen, businessmen and tourists who have visited China and have provided some contact. There is no shortage of books on China. But there is substantial conflict not only in the analysis of events but even in the reporting of the events themselves.

Jules Roy in his book "Journey through China" is convinced that China is itching for conflict with the United States. At the same time K. S. Karol in "China: the other Communism" expresses the feeling that if we put our minds to it we in the west might develop our relationship with China to the point where she could "even one day . . . become our ally in the battle for a more just

and humane world". Whether China is destined to be enemy or friend, Karol points to the old Chinese proverb:

> Know theyself, know thine enemy and in a hundred battles thou shalt win a hundred victories.

Enemy or friend, who can say we know China? We know that it is a vast and complex nation of some 700 million people; that it is an ancient and proud civilization; that it has a long tradition of looking inward on itself; that it is particularly preoccupied at present with its internal problems but that it will one day turn its attention outward and assert itself as a leading world power. We know enough about China to be convinced that the world must know her better.

• (5:10 p.m.)

It is 18 years since Canada and the United States had embassies in China. As a result, the amount of first-hand, expert, current knowledge of China in our countries is dwindling close to the vanishing point. There is no substitute for the on-the-spot, continuous presence of skilled diplomats and newsmen. In the present state of affairs I suspect that China has no interest in establishing diplomatic relations with Canada or joining the United Nations, for that matter. But one can hope we might over the next few years work out an agreement for the establishment of a Canadian embassy in Peking. We might then have, after perhaps a decade, a corps of foreign service officers with an intimate knowledge and understanding of China.

If the United States has not established diplomatic relations with China by then, the existence of these experts in our external affairs department could be of vital importance in increasing understanding of China in North America and the whole western world. Meanwhile, other Canadian news media might station correspondents in China; business and professional men, artists and scholars might be encouraged by government and private organizations to establish contact with the Chinese, and a dialogue might be slowly and painstakingly developed.

Most important in this process, I believe, is the suggestion made recently by Mr. Escott Reid, formerly a distinguished Canadian diplomat and now principal of Glendon College, York University, for the establishment by Canadian universities of a first rate institute for the study of contemporary China. In an article which appeared in the spring, 1967, issue of the *International Journal*, Mr. Reid said:

> Such an institute could become one of the great centres in the world for the study of China. To it our foreign service officers would go for two or three years before they were posted to China. To it they would return to make reports and to continue their studies when they came back from China. To it would go newspapermen, businessmen, scholars for training. To it newspapermen, businessmen, scholars, who had lived in China, would return to study and teach and write.

This seems to me a most valuable proposal by a Canadian of great international experience and sensitivity. In supporting the idea I urge the government to offer to the universities of Canada for this purpose a generous capital grant, with the assurance of annual operating grants and scholarships for outstanding young Canadians to attend this Canadian institute of Chinese studies. This is something we can do, and do immediately, at little cost but immense potential profit. It is a small step on a very long road, strewn with difficulties, toward closing the gap in understanding between China and the west. But it is a practical step and, as another old Chinese proverb tells us, "a journey of 10,000 miles begins with a single step." I will conclude, Mr. Speaker, as Mr. Reid did in his article and rest my case on his eloquence:

> In the next ten years as in the past 100 years, we in Canada will be beset by many harassing problems in foreign affairs. A country of Canada's size has only limited resources of wealth and manpower to devote to foreign affairs. If it is to make the maximum impact it must select areas where it is likely to make the best contribution, the contribution most likely to serve the welfare of the people of Canada.
>
> The two great problems of the last third of the 20th century are the economic development of poor countries and the relations between China and the rest of the world. We must speed up greatly the rate of economic advance of poor countries. We must move quickly to narrow the gap between China and the rest of the world. Otherwise, the prospects for our children's children are bleak indeed.
>
> Canada can by its actions and its example make a substantial contribution to the solution of these two problems, a contribution much more substantial than its mere size and wealth would warrant. Here is a task worthy of Canada as it enters the second century of its existence. By taking up this task we, the people of Canada, can make the first ten years of that century a second golden decade of Canadian foreign policy.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have listened with great interest to many of the speeches made in this throne speech debate. I have heard some very interesting and controversial subjects raised, some of which have been supported and others

ridiculed. I was particularly interested in a speech made recently by my close neighbour in this chamber, the hon. member for Villeneuve (Mr. Caouette), in which he referred to an election to be held in the province of Quebec in a city very close to our capital. The hon. member indicated that much of the news coverage in respect of that election favoured the candidate of the New Democratic party. I think it is time that many of the members who criticize the C.B.C. realized that most news agencies, and I think the C.B.C. is no different from others, as a rule cover news when it is made. If that news is controversial, it is more easily accepted as news. I think the interest being paid to this election probably stems from what is being said in parts of Quebec rather than from a change in the attitude of the C.B.C.

I was particularly surprised at the suggestion that communists were infiltrating the C.B.C. Not long ago I heard that separatists were infiltrating the C.B.C., and I often wonder whether they are the same people. It depends on the horse they are riding at the time and what are their interests. However, Mr. Speaker, I believe it is time some hon. members took a serious look at what is news and what is propaganda in the speeches they are making, and if they are making statements that are worth while, and controversial if necessary, their remarks will find a place in the news.

The hon. member for Villeneuve has had almost a lifetime in this field and should know perhaps better than anyone not to single the socialists out for special attention. When the word "socialist" is used we often wonder to whom the hon. member is referring. Some people say there are socialists in the Conservative party, others say there are many socialists in the Liberal party, and some say there are socialists in the New Democratic party. I think that the term as it is now used refers to progressive thought rather than what was meant originally in the philosophical jargon of socialists.

I should like to deal with a problem that was first raised in the throne speech and has since been raised several times. I refer to what parliament is going to do and whether we will be able to develop a new look. I have always been amused by those who say that we can change the rules and make parliament work more effectively.

• (5:20 p.m.)

I have been a member of, and actively participate in, a great many organizations.

[Mr. Peters.]

Certainly, there was no better school for the manipulation of the rules than the trade union movement. I can remember being in several unions fighting the communist element when they were supposed to be a threat. I am not sure how extensive the threat was, or even if it existed at the time. Certainly, the communists were a very potent force. I can remember that we changed the rules in many ways to take care of that threat.

I can remember when the left wing of the labour movement used to object to the adjournment motion of the meeting. Once everyone who was not too interested in what was going on had left, then they had a majority and would take a vote. They would always win.

The next Sunday there would be another meeting and everybody would be there at the beginning. They would rescind the motion that had been passed at the previous meeting. When supper time came those who were not particularly interested went home, so the motion would be put again and passed. This went on week after week. In order to solve the problem, the rules were changed, but when the rules were changed we found we had given the dissidents, not one opportunity to do this, but that we had created four other opportunities.

It seems to me that the rules of parliament have been developed over a great many years and for specific reasons. If you tamper with them and expect worth-while results, your expectations will not be realized. I think that the problem we have in parliament is not necessarily one of changing or modifying the rules. We need a fairly fundamental change. Let us go back to the throne speech. In any organization, the throne speech would be a sort of timetable for the legislation before the house for this session.

I believe this session should not be like the ones which have passed. Anyone who looked at the order paper at the end of the last session would find as much legislation still on the order paper as we had passed, so we really had not gained any ground at all. There were promises by the Prime Minister (Mr. Pearson) that this piece of legislation or that was going to be introduced and passed before the end of the session. Some of my colleagues kept asking for legislation to be introduced. Someone on the other side would say: Yes, we will accept that; that is a very good piece of legislation and should be

passed. We really have not used the throne speech as an agenda, we have not set a pattern of legislation.

I am sure many of the members are not yet aware of the difference between legislation mentioned in the throne speech and legislation introduced during that particular session. Some of the newspapers unkindly referred to the fact the government had decided to dust off every piece of legislation they had and put it in the throne speech. Certainly, it was a very long document, and if they had thought of anything else they would have added it.

This reminds me of the time the Prime Minister was asked about social legislation. He said, "Yes, we are going to pass it this session. We are going to pass divorce reform, abortion reform, birth control legislation", and then he added something which sounded like, "and anything else the N.D.P. can think of". It seems to me that over the years legislation has been introduced in this manner. You will have to give credit to some of my colleagues because they have proposed a great deal of the legislation that has been put on the order paper in the last 20 years. I believe that this is worth while. However, I do not believe that we should kid the country that the things mentioned in the throne speech are going to be implemented by legislation.

I do not believe it is any secret that many of us would have liked this to be a very special session of parliament. This is centennial year. We are celebrating our one hundredth birthday. I feel there is an obligation on members of parliament to be in their constituencies for at least part of these celebrations. I am not thinking of the major cities, because this may not be true of Montreal or Toronto.

Montreal will probably say Expo is the biggest thing that has ever hit that city—this is probably true—and is their centennial project. Many of the small communities have been able to erect a new town hall, buy a fire truck or put in a waterworks plant as a result of the efforts of the citizens. I believe these efforts demand a higher attention from the elected representatives, and it would seem to me this would involve many of the members being at home at various times. There will likely never be during this session more than three quarters of the members present. It seems to me if this is a logical supposition, then we should make preparations to do something about it.

There has been some reference by some members to the fact that the throne speech debate should have been reduced in length. I agree that the hon. member who moved the address in reply made a good speech. In many respects, his speech indicated that he may have written it. I am sure it was the kind of speech that could have been televised and would have reflected great credit on all members of parliament. It was a flowery speech and indicated the aspirations of the people, and really was not political in the normal sense of the word. I see no reason, Mr. Speaker, why, after a session of 14 months, we could not have decided to shorten the throne speech debate. We have lost these eight days. We could then have gone right into the budget speech and the handling of estimates. We could have decided how many days we wanted so that we could get out of here before July 1.

When I think of the standing committees, that is a good point to digress. Last year some of the standing committees sat for 12 or 13 months. In my opinion, some of them presented excellent reports. These reports have not been considered because most of them were introduced in the last days of the last session. Certainly, the government has not considered the legislation flowing from these reports. It seems to me members of parliament must be rather stupid if they want to have these estimates referred back to standing committees so they can do the same amount of work over again.

• (5:30 p.m.)

Why should reports be presented to parliament when parliament can give no consideration to these reports? It seems to me this would be a good time to waive the sending of estimates to the standing committees, except for those which are required to be sent according to law. Perhaps even this could be waived. Perhaps we should pay some special attention to some of the joint and special committees which have not reported. I am not saying they have not reported because of delay in the other place. The delay was probably the result of the inability of our members to attend. These committees could be reconstituted by the government and could complete their work. In so far as estimates going to committees are concerned, I do not know whether members want to go through this sort of ritualistic dance, and want to spend their time in committees. The government has had to scratch to get members to go to committees. Certainly a number of Liberal backbenchers were kept busy, but they could have been busy in other fields this year. It is

an obligation on all members of parliament to accept some of the thousands of invitations to important functions in different areas of Canada.

We could have waived the throne speech, Mr. Speaker. Why didn't we? We did not because four or five members got together in the back room and tried to make a deal. This sort of deal never works, because such deals are made in the back room. If we are not prepared to state on the floor of this house that we will waive the debate on the throne speech or the debate on the budget speech, or curtail certain discussion of the estimates for this year for the specific purpose of allowing members to participate in centennial celebrations, then such arrangements will not be made. And I am prepared to see that they are not made.

The throne speech appeared to be the kind of speech that everyone could agree with. There were reminiscences about our history, homage was paid those who have gone before us, reference was made to past achievements, to the problems we face today and to the aspirations that our young people have for tomorrow and the years to come. We could have left it at that.

I am told, Mr. Speaker—I may be wrong, and if I am there will be much disappointment—that the budget will not contain anything sensational. And there is no reason why it should: There will be no election this year. Everybody will be so tired by the end of the year that they will not want to campaign for six or eight weeks, so there will be no election. Indeed, the kind of arrangements that have been made recently indicate that there is no chance of even an accident happening.

Therefore, Mr. Speaker, it seems to me that we should let the country know whether or not members of parliament intend to participate in centennial celebrations. If we do not, then let us say so. I want to be in a position where I can honestly tell the people in my riding that they cannot count on me for July or August because I will not be at home. I shall be able to tell them that I have a job to do in Ottawa, and that although I think their celebrations may be much more important, I was elected to represent them here so I shall be unable to attend their celebrations.

If some arrangements are made, Mr. Speaker, then, of course, we shall have to sacrifice something. I should like to be able to talk about 20 subjects on this throne speech, or on the budget speech, but I can pass them up. I have done so before. Nothing is new. We can use our legislation over and over again until we can make a change, so we should be able to give some things up.

In return for this the government should be willing to give something up. It seems to me that one of the things they will have to give up is the idea that they have been putting across the country, namely that they are going to pass a number of very controversial and complex pieces of legislation. If the government has no intention of passing them, then I do not see why we cannot make some arrangements along the line I have suggested.

If this is the case, Mr. Speaker, then for God's sake let us make these arrangements in public, so that everyone will know about them and be able to co-operate. Sometimes members are asked for their co-operation and they do not know why. If we had given up one day's debate on the throne speech, what difference would it have made?

If further legislation is added and we continue into July, then anyone who has been here any length of time knows that if we go beyond July 1, which is an obvious cut-off date, we go on and on.

I think the government also have an obligation to tell the Canadian people, particularly members of parliament and members of the Senate, what arrangements will be made about the royal visit. I am quite sure that the royal visit will not involve an address to parliament. If it does not, then there is really no reason for parliament to be in session. It is my understanding, though this is not the information given publicly to the press, that the Queen will address her loyal subjects on the lawn of Parliament Hill and that members of the House of Commons and members of the Senate will be special guests in attendance. If this is the case, then I do not think it is necessary for parliament to sit beyond June 30.

Whether or not this is the case, Mr. Speaker, I hope that collectively we will have enough intelligence to see to it that at least one week before Christmas we will prorogue this session so that we can start a new one, not the third week in January but directly after January 1. We should debate the throne speech, bring in the estimates and the budget and then adjourn for a summer recess so that members have an opportunity to visit their constituencies to do some work.

I used the unfortunate expression "holiday". I thought about that word the other day when I was so tired I decided to stay in bed, and I stayed in bed until two o'clock in the

afternoon. I wondered afterwards why I was so tired. I go home at week ends and the phone starts ringing at seven o'clock in the morning, and I am sure this is the case with other hon. members. I attend several meetings during the course of the day. I have a continual round of meetings, consultations and visits, and I deal with other matters that require attention. By the time I leave for Ottawa I have not even had a week end break, but have been working seven days a week. We do have an obligation to see our constituents, Mr. Speaker; otherwise we get so far out of touch with them that we are not really representative of them.

I suppose that what I have said will fall on deaf ears—it has before. However, I hope that if we are really going to make some changes they will be made out in the open and that all members will be asked for their co-operation, instead of four or five people getting together in the back room. The Prime Minister (Mr. Pearson) said he intended to do something about improving the operations of parliament, and it seems to me that now is a good time to do it. It also seems to me that members of parliament have a special obligation this year to their constituents. Although it will be no holiday for them this year, an obligation does fall on each and every member to join in in some of the centennial activities in their ridings for which their constituents have worked so very hard, and in which I am sure they would like to see their member participate.

If time allows I hope the Prime Minister will make some statement as to what improvements he wants and what our timetable will be. Then and only then can he honestly ask for the co-operation of members of parliament in the accomplishment of what is a reasonable and practical proposition.

Mr. Deputy Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: On division.

Motion (Mr. Jamieson) agreed to.

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved:

That the address be engrossed and presented to His Excellency the Governor General by such members of this house as are of the Honourable the Privy Council.

Motion agreed to.

• (5:40 p.m.)

SUPPLY

APPOINTMENT OF COMMITTEE

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved:

That this House will, at its next sitting, resolve itself into a committee to consider of the supply to be granted to Her Majesty.

Motion agreed to.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved:

That this House will, at its next sitting, resolve itself into a committee to consider of the ways and means for raising the supply to be granted to Her Majesty.

Motion agreed to.

MAIN ESTIMATES,

MOTION FOR REFERENCE TO COMMITTEE OF SUPPLY

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved:

That the main estimates of sums required for the service of Canada for the year ending on the 31st March, 1968, together with the message of His Excellency relating thereto be referred to the committee of supply.

Motion agreed to.

Mr. MacEachen: I wish to move a number of motions, if I might have consent. I consulted members of the house about this. The first one I have to move has to do with public accounts.

Mr. Deputy Speaker: Does the house give unanimous consent?

Some hon. Members: Agreed.

Mr. Herridge: We should like to know what the motions are. Could we take them one at a time?

PUBLIC ACCOUNTS

REFERENCE TO COMMITTEE WITH REPORTS OF AUDITOR GENERAL AND CANADA COUNCIL

Hon. A. J. MacEachen (Minister of National Health and Welfare): I move:

That the public accounts volumes I, II, and III for the fiscal year ended March 31, 1966, and the report of the Auditor General thereon, tabled on January 9, 1967 and February 20, 1967, respectively, together with the report and financial statement of the Canada Council for the fiscal year ended

March 31, 1966, and the report of the Auditor General thereon tabled on August 30, 1966, be referred to the standing committee on public accounts.

I might add that the purpose of these motions is to permit committees to complete work begun during the last session. In this and other instances the committees have met and begun work, but they have not been able to report. They are ready to do so, but cannot unless given this authority, by these motions.

Motion agreed to.

DIVORCE

MOTION TO ESTABLISH JOINT COMMITTEE

Hon. A. J. MacEachen (Minister of National Health and Welfare): This motion that I propose to move falls into the category of the last one, and is to permit the committee to get under way. The Senate already has established its membership. Accordingly I move:

That this house unite with the Senate in the formation of a special joint committee to inquire into and report upon divorce in Canada and the social and legal problems relating thereto, and such matters as may be referred to it by either house:

That 24 Members of the House of Commons, to be designated by the house at a later date, be members of the special joint committee; and that the quorum be fixed at ten members provided both houses are represented and that standing order 67 of the House of Commons be suspended in relation thereto;

That the committee have power to engage the services of such technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the committee have the power to send for persons, papers and records, to examine witnesses, to report from time to time, and to print such papers and evidence from day to day as may be ordered by the committee, and that standing order 66 be suspended in relation thereto;

That the minutes of proceedings and evidence of the past session be referred to the said committee and be made a part of the records thereof; and

That a message be sent to the Senate to inform their honours that the house doth unite with the Senate for the above purpose.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, could not those comprising the committee at the end of the last session be considered members now, thus saving the necessity for further delay? That would allow this committee to get moving.

Hon. J. A. MacLean (Queens): Did I understand the minister to mention that 24 members of this house were part of the committee? I did not think that many were on it. I wonder if that was an error.

[Mr. MacEachen.]

Mr. MacEachen: This is precisely the same motion as was adopted last time.

Mr. MacLean (Queens): If that is so, fine.

Motion agreed to.

IMMIGRATION

ESTABLISHMENT OF JOINT COMMITTEE TO CONSIDER WHITE PAPER, ETC.

Hon. A. J. MacEachen (Minister of National Health and Welfare): This will be a similar motion with respect to the joint committee on immigration. The committee has met, examined witnesses and is now ready to prepare a report. This motion will allow the committee to get under way. Accordingly I move:

That a special joint committee of the Senate and the House of Commons be appointed to examine and report upon the white paper on immigration tabled in the House of Commons on October 14, 1966, and the reports on immigration matters made to the Government of Canada by Mr. Joseph Sedgwick, Q.C., in 1964 and 1966;

That 24 members of the House of Commons, to be designated at a later date, be members of the said committee; and that the quorum be fixed at 12 members provided both houses are represented and that standing order 67 be suspended in relation thereto;

That the said committee have power to call for persons, papers and records; to examine witnesses; to report from time to time; and to print such papers and evidence from day to day as may be ordered by the committee, and that standing order 66 be suspended in relation thereto;

That the minutes of proceedings and evidence of the past session be referred to the said committee and be made a part of the records thereof; and

That a message be sent to the Senate requesting that house to unite with this house for the above purposes and to select if the Senate deem advisable some of their members to act on the proposed joint committee.

Hon. R. A. Bell (Carleton): We would concur completely in this motion, but regret that the Senate is not ready, and that there will be a delay in proceeding until June 7, when the Senate returns.

Motion agreed to.

NATIONAL ANTHEM

MOTION SETTING UP JOINT COMMITTEE

Hon. A. J. MacEachen (Minister of National Health and Welfare): The final motion has to do with the special joint committee on the national and royal anthems of Canada. I move:

That a special joint committee of the Senate and House of Commons be appointed to consider and from time to time to report upon the question of

lyrics of the National and Royal Anthems of Canada; and

That 12 members of the House of Commons, to be designated at a later date, be members of the joint committee; and that the quorum be fixed at seven members provided both houses are represented and that standing order 67 of the House of Commons be suspended in relation thereto; and

That the committee have power to engage the services of such technical, clerical and other personnel as may be necessary; and

That the committee have the power to send for persons, papers and records, to examine witnesses, to report from time to time, and to print such papers and evidence from day to day as may be ordered by the committee, and that standing order 66 be suspended in relation thereto; and

That the minutes of proceedings and evidence of the past session be referred to the said committee and be made a part of the records thereof; and

That a message be sent to the Senate requesting that house to unite with this house for the above purpose, and to select, if the Senate deems it advisable, some of its members to act on the proposed joint committee.

Motion agreed to.

• (5:50 p.m.)

Mr. Winch: Could I ask the minister why there was not a motion for the reappointment of the special committee on penitentiaries? We, too, have a report we want to complete.

Mr. MacEachen: I have been attempting to consult with the various committees and get the references ready. We shall move very fast to get the joint committee on penitentiaries established.

Mr. Knowles: Mr. Speaker, is the government not ready to move the reference of the question of educational television to the committee on broadcasting?

Mr. MacEachen: I had in mind moving such a motion but, after consultation, I find that further consideration is necessary before I can secure consent to move it.

An hon. Member: Six o'clock.

Mr. MacEachen: Perhaps I shall not be as lucky as I have been in the last few minutes, but there is a resolution on the order paper concerning immigration—the immigration fund. There is some urgency about replenishing the fund and if we could pass this resolution before six o'clock the house would be able to deal with the bill next week. The effect of the resolution is merely to increase the amount of the fund. I would call it if I had consent.

Mr. Monteith: We would be pleased to do that, provided the parliamentary secretary makes his remarks very brief.

Mr. Knowles: We will consent, if he makes no remarks at all.

Mr. Cowan: I will not consent to passing it tonight.

Mr. Deputy Speaker: There is no unanimous consent.

Mr. MacEachen: If the resolution were passed it would permit us to make the bill public. We would hope to deal with it as the first item and call it for second reading after the adoption of the supply motion which we expect to call on Tuesday and Wednesday.

Mr. Knowles: Do not look at us.

Some hon. Members: Agreed.

Mr. Deputy Speaker: May I ask again if there is any objection to proceeding with this resolution now?

Mr. Cowan: I object.

Mr. Deputy Speaker: There is not unanimous consent.

An hon. Member: Six o'clock.

BUSINESS OF THE HOUSE

Mr. MacEachen: I might indicate to hon. members that, as has been ordered by the house, on Tuesday and Wednesday we will deal with supply. Following the supply order the house will deal with the resolution on immigration, and then the second reading of the Canadian Wheat Board Act and of the Canadian Citizenship Act. On Friday of next week we shall likely be calling the estimates of the Department of Transport, keeping in mind the necessity of trying to see the immigration bill through all its stages.

Mr. Knowles: Will the government bear in mind, when planning the days we are to spend on estimates, the urgency of holding a discussion on external affairs?

Mr. MacEachen: Yes, Mr. Speaker.

Mr. Peters: Is the leader of the house prepared to give consideration to the long term proposition I put forward, one which I think would do much to secure the co-operation which he desires?

Mr. MacEachen: Yes. I listened with great interest to the remarks made by the hon. member and I should like at an early date to

be able to give a complete forecast of the items the government would like to see dealt with before the summer adjournment. I believe it is essential that members know what the menu is before they decide how much they can digest.

Mr. Deputy Speaker: Pursuant to section 4 of standing order 2 this house stands adjourned until two thirty o'clock on the afternoon of Tuesday next.

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

HOUSE OF COMMONS

Tuesday, May 23, 1967

The house met at 2.30 p.m.

GRAIN

ANNOUNCEMENT OF CERTAIN INITIAL PAYMENTS FOR NEXT CROP YEAR

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I wish to inform the house of the government's decision on the level of the Canadian Wheat Board's initial payments to producers for the basic grades of wheat, oats and barley to be delivered during the 1967-68 crop year. The initial payments, effective August 1, 1967, will be as follows:

Wheat: No. 1 Manitoba northern, basis in store Fort William/Port Arthur or Vancouver, $1.70 per bushel.

Oats: No. 2 C.W. oats, basis in store Fort William/Port Arthur, $0.65 per bushel.

Barley: No. 3 C.W. six row barley, basis in store Fort William/Port Arthur, $1.06 per bushel.

These payments represent an increase of 20 cents a bushel for wheat, 10 cents for barley and 5 cents for oats. The initial payments for all other grades of wheat, oats and barley will be established later by the Canadian Wheat Board.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the initial payment is not the most important in determining what the farmer will receive. The extra amount announced is in keeping with the addition that was provided under the recent arrangements at Geneva. I repeat once more that as a consequence of this government's action in the last year and a half or two years in reducing the price by 17 cents a bushel, the western farmer will now be getting back that 17 cents plus a 3 cents addition.

MAIN ESTIMATES

MOTION FOR REFERENCE TO COMMITTEE OF SUPPLY

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, I move that the message of His Excellency together with the main estimates for the year ending March 31, 1968, presented on May 9, 1967, be now referred to the committee of supply.

Mr. Speaker: My understanding is that the motion has already been put and was adopted on Friday evening.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: That is nothing new for the minister.

Mr. Benson: On a question of privilege, I wish to say that obviously I need to hire some new staff.

UNITED NATIONS

MIDDLE EAST—INQUIRIES RESPECTING DISPOSITION OF EMERGENCY FORCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, there are a number of questions arising out of the critical and dangerous situation in the Middle East which I desire to address to the Prime Minister. Would he advise the house where the Canadian troops are now located, those who were members of the peace keeping force of the United Nations? What plans have been decided upon to evacuate them, and where will they be taken? Will they be sent to another location in the Middle East rather than returned to Canada? Is it a fact, as reported in the press, that Canadian and United Nations troops have been deprived by the Egyptian forces of their transport and hospital facilities and supplies?

Right Hon. L. B. Pearson (Prime Minister): The Canadian contingent of the United Nations force is in the Gaza strip. As far as details related to the other parts of the question are concerned, perhaps the Minister of National Defence would be in a better position to supply them than I am.

Hon. Paul Hellyer (Minister of National Defence): The troops are in their camps operating normally and providing the services they are required to provide. The United Nations command has prepared a plan for the evacuation of the force, a phased plan which would see the forces of the various participating nations withdrawn over a period of several weeks. Due to the nature of the services provided by the Canadian contingent, the United Nations plans that our force will be one of the last, if not the last, to leave.

Mr. Diefenbaker: Why?

Inquiries of the Ministry

Mr. Hellyer: In addition to the United Nations plan the Department of National Defence has prepared a national contingency plan which can be put into effect if for any reason beyond our control or that of the United Nations the plan prepared by the United Nations becomes inoperable.

Mr. Diefenbaker: Why is it that the Canadians are to stay to the end? Why will they not be withdrawn in proportion to their numbers rather than kept in this dangerous position, providing a settlement is not arranged?

Mr. Hellyer: There will be some phased withdrawal during that period; as the force can be diminished in size it will be done in the normal, routine way. I think the right hon. gentleman will appreciate that we provide support services for the UN force and that some of these services will be required during the period of evacuation.

Mr. Diefenbaker: I have further questions on this subject, and I would ask the Prime Minister to reply to them. First, is it a fact—and I repeat the question—that Canadian troops are left without arms and without transport because of the action of the Egyptians?

Mr. Pearson: Mr. Speaker, there is no evidence to support that statement at all and my hon. friend the Minister of National Defence has said they are operating normally. But naturally we will make inquiries into a very serious allegation of that kind.

Mr. Diefenbaker: Does the Prime Minister say he has no information on that and has to wait for eventualities?

Mr. Pearson: Mr. Speaker, I have said I have just heard this particular allegation from the right hon. gentleman.

Mr. Diefenbaker: It is not an allegation by me; it is what was carried in the press. Isn't it true? They don't even know.

Mr. David Lewis (York South): Mr. Speaker, may I ask the Secretary of State for External Affairs, who in the last day or two has had discussions with the Secretary General of the United Nations, whether he can inform the house as to the reasons the Secretary General acted so precipitously in withdrawing the UNEF instead of seeking a meeting of the assembly or security council to discuss the matter?

[Mr. Diefenbaker.]

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Secretary General, whom I saw on Saturday at the United Nations, informed me that he had ordered the withdrawal of the force for security reasons, and also because of the nature of the agreement concluded by his predecessor and President Nasser when the force was established in 1956.

I do not believe there is any difference of opinion between the secretariat and the position the Canadian government took, as I expressed it in the house on Thursday last, with regard to the authority required by the appropriate organ of the United Nations before the force loses its legal being within the terms of the resolution passed in 1956 when the force was set up.

Mr. Lewis: I appreciate that the force may not lose its legal existence, but of what value is that legal existence if the force is withdrawn from the point at which it could be of assistance?

Mr. Martin (Essex East): Of course, Mr. Speaker, for all practical purposes my hon. friend is right, but I simply dealt with the question in the terms of the position taken by the Canadian government in 1956 and in 1960. The United Arab Republic requested, as it had every right to request, the withdrawal of the force from its territory. In addition, two component countries of the force indicated that they did not propose to participate in the operations of the force in view of the position taken by the U.A.R. These additional reasons for the action taken by the Secretary General were announced by him at the meeting of contributing countries on Friday afternoon last.

Canada does not dispute the right of a host country to make a request for the withdrawal of a force. That request, however, is a matter that has to be considered by the responsible United Nations body in relation to the decision which the Secretary General took, and which he believed he had the authority to take.

I may say he has been queried as to what course he would take in the event of a request by another host country with respect to another United Nations force. Specifically, of course, Canada had in mind the case of Cyprus. To that the Secretary General replied that if such a request were made he would report it to the security council. He did not feel that in those circumstances he would be in any way inhibited, as he was in the case of

UNEF by the agreement between the late Secretary General Dag Hammarskjold and the president of the U.A.R.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to ask the Minister of National Defence if the air field at El Arish is still under the control of and being operated by the R.C.A.F. detachment which has been carrying on those functions during the period of the United Nations force's stay in the Gaza strip, and whether this airport is to be the means by which the UNEF is to be evacuated.

Mr. Hellyer: Mr. Speaker, it was never, at least to the best of my knowledge, under R.C.A.F. control. It was a joint use airfield. The latest information I have is that it is still open. I do not think the contingency plan being prepared by the United Nations contemplates the use of the field at El Arish for withdrawal purposes. For obvious reasons I do not think I should discuss in any detail either the plans being prepared by the United Nations or those prepared by our own defence planners.

Mr. Harkness: I have a further supplementary question, Mr. Speaker. Is the R.C.A.F. still operating its Caribou and Otter planes from the El Arish air field?

Mr. Hellyer: I cannot say when the last flight was, but the last information I had was that they would be able to operate from El Arish if that is required.

Mr. Eric A. Winkler (Grey-Bruce): I should like to direct a supplementary question to the Secretary of State for External Affairs. Would he inform the house whether in fact the Secretary General has the authority to make such a unilateral decision as that to which the minister referred?

Mr. Martin (Essex East): That is a legal question with which I have dealt.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question. Perhaps I did not hear the Minister of National Defence correctly. May I ask him whether it is the present intention of the Canadian government, when the Canadian troops are evacuated, to return them to Canada.

Mr. Hellyer: Yes, they would be coming back to Canada as soon as they were withdrawn from the Middle East.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Would he be prepared to obtain and table a copy of the agreement referred to which the predecessor of the present Secretary General made, so that members could examine it and examine the position indicated by it?

Mr. Martin (Essex East): Mr. Speaker, that document of course is public. It has been circulated as one of the documents at the United Nations. I would be glad to table it, together with the resolution establishing the force.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I do not know whether my supplementary question should be directed to the Prime Minister or to the Secretary of State for External Affairs. The Prime Minister is reported to have had a conversation the other day with the president of Israel, and to have said that Canada is pressing with other countries for the revival of the UN truce supervision organization as a UN instrument to assist in dealing with the crisis which has arisen in the Middle East. I should like to ask whether that suggestion is being pressed, and what have been the results of the government's pressure to this end.

Mr. Pearson: Yes, Mr. Speaker; that suggestion has been put forward in the hope that a UN presence in the area of growing danger could be established for that purpose, and that it might be possible to build on the United Nations truce organization which is there. That suggestion now is being considered.

[*Translation*]

AGRICULTURE

MEETING WITH FARMERS MARCHING ON OTTAWA

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, for the last twenty minutes we have been in the Middle East. I would like us to come back to Canada.

Tomorrow, the farmers' march on Ottawa will take place. Some 20,000 to 25,000 of them are coming to meet the government authorities. In view of this, does the Prime Minister intend to meet the farmers who will be here tomorrow? Second, does he intend to announce, on that occasion, an improvement in the dairy policy for the benefit of Canadian dairy producers?

Inquiries of the Ministry

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, when the farmers' organizations sent a telegram asking to meet the government on this particular date, May 24, and asked me to meet with them I replied that this was an impossible date for me. I think we gave them six or seven other possible dates this week or next week. I have heard nothing about the alternative dates, only that they are coming on May 24 as originally planned. It has not been very easy for me to change my arrangements, Mr. Speaker, but with the Minister of Agriculture I expect to meet the leaders of the delegation tomorrow morning to consider their representations to the government.

COMMUNICATIONS

INQUIRY AS TO SATELLITE TRANSMISSION PROGRAM

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I intended to direct my question to the Secretary of State, but in her absence perhaps I should direct it to the Prime Minister. Will Canada be co-operating with the government of France in a satellite program which will beam television programs to Canada?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would prefer to find out what arrangements the French government has in mind before dealing with this question.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a supplementary question. Does the Prime Minister intend soon to announce some sort of authority for Canada regarding the handling of satellite communications?

Mr. Pearson: Mr. Speaker, this is one of the most important questions we are now considering. The government is giving this very careful consideration and expects shortly to set up a special body for that purpose. As soon as an examination has been completed we will be able to make an announcement on policy. This will take some time because, as my hon. friend knows, there is no more far reaching question facing us in the field of communications generally than this one.

[Mr. Caouette.]

WATER RESOURCES

CANADIAN DELEGATION TO "WATER FOR PEACE" CONFERENCE

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to ask the right hon. Prime Minister a question relating to the Canadian delegation to the international conference on water for peace, comprising some 60 members. This conference started its deliberations today, and I should like to know whether the delegation from Canada includes any members of this house other than the responsible minister.

Right Hon. L. B. Pearson (Prime Minister): I do not have the delegation list before me, Mr. Speaker, but I will be pleased to check to see exactly whom it includes.

Mr. Aiken: I have a supplementary question. If when the Prime Minister is checking the list he finds there are no members of this house on the delegation will he determine why such an omission occurred?

Mr. Speaker: Order. The supplementary question is, of course, hypothetical.

DRUGS

INQUIRY AS TO STEPS TO MEET INCREASED COSTS

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I wanted to ask the Minister of National Health and Welfare this question, but I do not see him in the house. Perhaps you will allow his parliamentary secretary to take it as notice. In view of the continuing increase in the cost of living index which is reflected in an increase in the cost of drugs, placing a heavy burden particularly on elderly and poor people, has the government any plan or policy to meet this situation?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, perhaps I may answer for the Minister of National Health and Welfare. The government has the recommendations of the special committee of the House of Commons on drug costs and prices under study at the present time. Inasmuch as the implementation of these recommendations involves a matter of government policy, any action in this regard will be announced at the appropriate time.

[*Translation*]

TRANSPORT

HULL, QUE.—INQUIRY INTO LEVEL CROSSING ACCIDENT

On the orders of the day:

Mr. Gaston Isabelle (Gatineau): Mr. Speaker, my question is directed to the Minister of Transport. Is it the minister's intention to ask for a comprehensive investigation, following the railway tragedy which occurred last Sunday at the Montclair boulevard grade crossing in Hull? Furthermore, may I point out to the minister that this is the second tragedy within a few months, in full daylight, at that very grade crossing, in the heart of the city of Hull.

[*English*]

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, this accident certainly will be investigated, and I am not sure that an investigation has not already been ordered, because in most cases action is taken immediately in order to obtain the maximum possible evidence into such tragic matters.

NATIONAL DEFENCE

REVIEW OF POLICY FOLLOWING CHANGE IN UN PEACE KEEPING ROLE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of National Defence whether, inasmuch as the recent defence policy embodied in the unification bill was based largely upon the concept of Canada's defence forces in a peace keeping role, the minister is reviewing Canada's defence policy at this time in light of the undoubted setback to the concept of United Nations peace keeping forces, as a result of recent developments in the Middle East.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I cannot accept the preamble to the question. As a matter of fact I made every effort during the debate, but apparently without success, to indicate that the reorganization of the armed forces and the concept of a single service was not in any way directly related to roles and missions. The unified force does make it easier to change roles and missions as world circumstances change, but the reorganization itself was not predicated upon nor directly related to changes in roles and missions. The question of my hon. friend, therefore, is merely academic.

In so far as the future of world peace keeping is concerned, I think all will agree that this has been a setback and one which most of us consider very regrettable. I do hope, however, that it will not discourage us from seeking in the years ahead to find means by which the nations of the world may cooperate in maintaining the peace and trying to prevent armed conflict.

Hon. Gordon Churchill (Winnipeg South Centre): A supplementary question, Mr. Speaker. Would the Minister of National Defence then inform the house what he meant in his December 7 speech when he indicated that unification would make it easier for Canada to participate in not only peace keeping activities but peace restoring missions?

Mr. Hellyer: Mr. Speaker, we are attempting to develop a force which within the single service concept will be more responsive and more effective, which will have greater flexibility and more transportation, thereby enabling us to undertake with greater efficiency any requirements for the people of Canada, in Europe or elsewhere, that might arise from time to time.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question supplementary to the questions asked by the hon. member for Kamloops and the hon. member for Winnipeg South Centre. Then was General Allard, the chief of staff, incorrect when he recently made a statement in St. Catharines, Ontario, to the effect that the whole purpose of unification was for peace keeping activities?

Mr. Speaker: Order, please. The question is not acceptable.

AIR TRANSPORT

REQUEST FOR BAN ON USE OF HIGHLY INFLAMMABLE FUEL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. As the minister will recall, I have asked two or three questions lately about the use of JP4 fuel by jet airliners. In view of the tragic crash at Uplands last Saturday evening will the department, entirely apart from the investigation into that accident, review its position with regard to the use of this highly inflammable fuel?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I would think any such review would not have any particular connection with that accident. I must say that I rather regret the hon. gentleman's statement. In making it I am sure he is quite innocently seeking to suggest some kind of connection, for which to the best of my knowledge there is not the slightest evidence.

Mr. Knowles: As a supplementary question, Mr. Speaker, may I ask the minister whether he thinks it is fair to make that imputation against me. Is it not proper for me to ask, in the light of Saturday's accident, that the department re-examine this question in the hope that we may have the greatest possible safety in air travel?

Mr. Pickersgill: The hon. gentleman has, of course, given notice of a question to be asked at ten o'clock on this subject, and I think perhaps it would be better for it to be answered at that time.

Mr. Knowles: On a point of privilege, Mr. Speaker, my question was answered at ten o'clock last Thursday night by one of the parliamentary secretaries. It is that very answer that I am asking to have re-examined. It would be a good idea if the ministers were in the house and knew what was going on.

GRAIN

RAPESEED AND RYE—REQUEST FOR WHEAT BOARD JURISDICTION

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Now that the minister has taken some faltering step to find a more popular place for himself in the minds of western farmers, when may we expect an announcement with regard to rapeseed and rye being brought under the Canadian Wheat Board?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I expect we will shortly have before the house a bill amending the Canadian Wheat Board Act and the matter can be debated then. I hope that will be next week.

COAL

ALBERTA—NEGOTIATIONS RESPECTING FREIGHT RATES ON SHIPMENTS TO JAPAN

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to ask a very simple but important question of the Minister of Transport. Has the government received an informal application or notification of the intention of the coal operators to build a railway on their own to the United States border in order to ship coal from British Columbia to the Pacific coast over the Great Northern in the United States? If not, has the minister any further information to give the house with respect to the present difficulties between western Canada's coal exporters and the Canadian Pacific Railway? This is important, Mr. Speaker.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, so far as the first part of the question is concerned, I thank the hon. gentleman for sending me notice which I received just as I walked into the house. To the best of my knowledge, unless it happened over the week end, there has been no official notice to the government of Canada that anyone has any intention of building a railway. I think it would be unfair to the Crowsnest industries and other related interests to give the impression that there has not been some informal exchange in respect of this matter, because there has, but it has not gone beyond that stage.

In so far as the relations of the mines and Canadian Pacific are concerned, I am happy to be able to say that the Coleman mine in Alberta, as I was also informed just before I came into the house, concluded a long term agreement with Japan which does involve the sale of coal and its transportation entirely through Canada to the coast. I think we will all be pleased that at least part of this problem is being cleared up.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—POSSIBLE DELAY THROUGH DESIGN CHANGES

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is to the Minister of Public Works. In view of the considerable delay in the awarding of the contract for the next phase of the construction of the Northumberland crossing, has the government decided to defer construction of this project for up to two years in order to completely redesign the present design which is being scrapped?

Hon. G. J. McIlraith (Minister of Public Works): No, Mr. Speaker.

Mr. Speaker: Order, please. The question as asked is unacceptable.

Mr. MacDonald (Prince): Mr. Speaker, I wonder whether I could put the question in another form. There has in fact been a good deal of comment on this matter, and it has been reported in the press that the government does plan to defer this project. Is that in fact true?

Mr. McIlraith: No, Mr. Speaker.

INDUSTRY

POSSIBLE CHANGE IN CRITERIA RESPECTING DESIGNATED AREAS

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Minister of Industry and ask him whether it is the intention of the government to change the criteria for designated areas so that areas of slow growth may be included, as requested by the Northeastern Ontario Development Association. If so, will northern Ontario qualify as a designated area, and will this change be announced soon?

Mr. Speaker: Order, please. I suggest to the hon. member that the question is much too general in scope to be of the type to be accepted at this time.

• (3:10 p.m.)

SUPPLY

Hon. Mitchell Sharp (Minister of Finance) moved that the house go into committee of supply.

EXTERNAL AFFAIRS—FOREIGN POLICY

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, to say that the house and country will be disappointed by the replies given by the Prime Minister, the Minister of National Defence and the Secretary of State of External Affairs today in regard to the international crisis that has developed is an understatement. I had hoped the government would have some information to give the house. When I asked the Prime Minister whether there was any justification for reports regarding Canadian UN troops being deprived by Egyptian forces of their transportation and hospital facilities, he stated that he was not in a position to answer my allegation. It is not my allegation; it is a statement carried by the press. The answer given by the Prime Minister is indicative of a slapdash attitude on the part of this government respecting questions affecting the future of Canada and indeed the peace of the world.

The questions asked should have produced some information other than the type of circumlocution to which we have become accustomed in recent weeks.

I am amazed at the attitude of the government. Today I read according to the Canadian Press:

> Cabinet Meets on Crisis
>
> Prime Minister Pearson said "it's a tricky situation. I don't know how we're going to handle it."

This is not in keeping with the serious situation that prevails. It is strangely reminiscent of the type of answer given in the days when Mackenzie King was prime minister and he regarded external affairs as in his exclusive jurisdiction and indeed over and over again denied parliament information to which the house and country had a right.

I do not think it any exaggeration to say that at this moment the world is in fear. President Nasser demanded the removal of the United Nations peace keeping force. This force was mobilized from among seven nations. By its removal the Egyptian and Israeli armies will be facing one another. Egypt, Syria, Jordan, Iraq and Kuwait have mobilized; yet today the answers to unprovocative questions asked in the house were offhand as though they did not merit a serious answer.

U Thant was asked by President Nasser to order the removal of these forces. The government has taken two sides in this regard. The other day the Secretary of State for External Affairs announced in a loud voice that it was apparent that U Thant had acted precipitously; at least, so I interpreted his words.

Mr. Martin (Essex East): I never said that at all.

Mr. Diefenbaker: A little later on it was confirmed by the minister that at the time the force was set up it was understood under arrangements between the then Secretary General and President Nasser that the force could not remain if his consent was withdrawn. U Thant has given outstanding leadership to the cause of peace. He is not in his position because he desired to remain aloof. At the end of his term last year, he was virtually conscripted to stay on because of his superior statesmanship. He had serious misgivings, to use his words, when he ordered the UN forces of Canada, India, Norway, Sweden, Denmark and Brazil to end their vigil on Friday last.

Today U Thant is in Egypt. What will be the consequences of the action taken the other day? Yesterday an announcement was made of the ban on shipping in the gulf of Aqaba. The U.A.R. has ordered total mobilization of its 100,000 man army reserve. Cairo's regular army within the precincts of Egypt numbers some 175,000 men. It has 40,000 still in Yemen. With the United Nations force emasculated as a result of the order, Egyptian troops now dominate the west bank of the gulf. The United States, Great Britain and France made a declaration in 1950 that they would "immediately take action, both within and outside the United Nations, to maintain the stability of all frontiers in the Middle East".

We meet in circumstances of dark and foreboding. Those who remember 1914 recall how suddenly war was with us. Canadians in that war made the supreme sacrifice of 60,000 men, greater than fell in the armed forces of the United States. I say that not by way of comparison but by way of emphasis on the danger that faces our nation and the world today. Before the second world war there were those events which ultimately culminated in war. What is going to be done now with the disbanding of the emergency force?

I do not understand the mumbo-jumbo language which the minister of defence uses —words large, sonorous and often meaningless. What is going to be done? One can get such words from Roget's Thesaurus. They give importance to announcements otherwise barren. Is there a plan in being which Canada can follow?

In my opinion, if the present emergency force goes out of existence it will be necessary to reconstitute it or another, otherwise the peace of the world will receive a setback from which it will not recover. Can a force be set up? The security council would have to bring the matter before its membership. It might be vetoed by the U.S.S.R. If the U.S.S.R. were to veto it, it would mean that country is determined, if war should break out, that it will not be an onlooker.

One of the major reasons for the terrible danger we now face in consequence of what is taking place in the Middle East is the direct fruit of the Viet Nam situation. In the Middle East Nasser has realized that the time is opportune for him to re-establish himself as the leader of the Arab countries. When I saw Nasser in 1964 he said "I have no intention of getting out of Yemen under any circumstances for three years". The Secretary of State for External Affairs will recall that I so advised him then. The view of the department at that time was that Nasser had given his undertaking in the United Nations to remove his troops from Yemen within six months. His reply to me was that he had not undertaken to remove his troops; or at least if he had given the undertaking he had not undertaken as well not to substitute others for those moved.

• (3:20 p.m.)

The Yemen situation is a serious one. Aden brings to Great Britain problems almost beyond solution. Gibraltar is a danger spot. In Korea there are already divisions taking place and potential threats being made. In Hong Kong serious incidents are taking place. All over the world over a period of months there has developed a spirit of potential war. The same situation obtains in the field of trade but with that phase I do not intend to deal today.

Everywhere, Mr. Speaker, chaos threatens. We have asked the government over and over again for a debate so as to have before the house the views of the government. Nobody knows where the Canadian government stands on Viet Nam. Its ministers speak multilingually each advancing his own views regardless of the consequences to cabinet solidarity.

I am going to repeat what I said with regard to the views expressed by the President of the Privy Council, views diametrically opposed to the views expressed by the Prime Minister and the Secretary of State for External Affairs. I have no doubt the hon. gentleman's mail is the heaviest ever received by any member of the House of Commons. Commendation for statements not in keeping with cabinet solidarity cannot be taken as an appropriate reward.

We have tried to get the government to agree to a debate. Various members—I have before me the excerpts from *Hansard*—have asked the government to set aside a couple of days for international affairs. The government has been afraid to permit discussion. It knows that uncertainty in its membership denies a declaration of unified policy.

In the last 48 hours the minister of manpower made a statement that what was said by the President of the Privy Council was not out of consonance with the views of the government. Each member believes he can make statements that will be attractive for the time

being, regardless of whether they are representative of government policy. Ministers go galloping off in many directions, each making statements which they regard as appropriate regardless of government policy.

This may not be the view of the government, Mr. Speaker, but it is the view of newspaper editorial writers in all parts of Canada. I wish to quote but one editorial in part from the Montreal *Star* for May 18 last, a newspaper never regarded as one of the warm hearted supporters of the Conservative view. The title is "Dangerous Habit Of Conning Electors", and it goes on to describe what has happened in connection with questions and answers about Viet Nam in this house. It says in part:

> Instances could be multiplied. They are excused because of the belief in what has come to be known as "quiet diplomacy", by which is meant fixing something up before anybody can find out what is really going on.

That, Mr. Speaker, is representative of the view which is taken. The Halifax *Chronicle-Herald* has taken the stand that it was most proper to ask the government to bring before a committee of parliament the two journalists who made allegations regarding the international control commission. I do not think the government is very anxious to have them appear, because each of them has stated that such an opportunity would be welcomed, and the truth would then be forthcoming.

We are denied information. Information has become the privileged monopoly of the government. They seek to act on behalf of this nation without allowing parliament to find out what is going on. The only way to secure action is through the medium of an amendment. It will immediately be said that such an amendment, if supported, would constitute a vote of non-confidence. However, I would make the government an offer. We have tried in every way to get this government to give us an opportunity to find out what they are thinking about, if anything.

I will move this amendment, Mr. Speaker, but not for the purpose of prejudicing the government. If the government accepts the amendment it will in no way be considered by the opposition as a vote of non-confidence, but will constitute a declaration by parliament that this institution has the right to information. If the government falls in line with this suggestion I will make the immediate offer that if any subamendments are introduced by any third parties, those subamendments will not receive support from Her Majesty's loyal opposition. The purpose of making this offer is to finally pry from this government information that is being denied to us.

What answers the Minister of National Defence gave hon. members in regard to the United Nations force and unification. The whole unification dream, now implemented into legislation, has disappeared in the last few days, as we in the opposition said it would. Today the minister is endeavouring to beat a strategic retreat.

• (3:30 p.m.)

Mr. Hellyer: Don't be irresponsible.

Mr. Diefenbaker: Perhaps it should not be called—

Mr. Hellyer: Don't be irresponsible.

Mr. Diefenbaker: —a strategic retreat.

Mr. Hellyer: Don't be irresponsible.

Mr. Diefenbaker: I will not argue. The minister beats what is being described as a strategic retreat, but I shall be glad to amend that and say that it is a disordered defeat. With the government's support he built up the idea of unification to create a mobile force, the objects of which were to reduce expenditure and to be available for peace keeping for the United Nations. The whole proposition was built on a quicksand of political illusion. The Secretary of State for External Affairs (Mr. Martin) rushed in to tell us that the creation of the unified force was in pursuance of our foreign policy and an adjunct thereto. Where is that policy today? It has all collapsed. One understands why the faces on the treasury benches are so long.

For weeks the government told us what a wonderful policy was being set up. They said that unification was not designed to turn Canadian forces into an international force. Again, may I be permitted to quote from the policy speech of the President of the Privy Council (Mr. Gordon) which he delivered two weeks ago. He said:

> In circumstances such as these Canada, instead of stepping up her defence budget considerably, might decide to concentrate her efforts on the maintenance of mobile peace keeping or peace restoring units to be available to the United Nations on the shortest possible notice. This might make a lot of sense. Our new unified forces should be well suited to this task.

Then General Allard cleared up the whole matter in the speech he delivered at St. Catharines on April 23 or 24. He was reported as follows:

> The creation of a mobile world peace keeping force as well as elimination of waste are the goals of Canada's proposed reorganization of the armed

forces, General Jean V. Allard, chief of defence staff, said Saturday ...

The objective of the reorganization of the forces is to enable Canada to live with the realities of the times, assuming the responsibilities of the country's growing importance in world affairs ...

Canada's forces were being made into a highly mobile force, in keeping with their role as peace keepers in the world—

Mr. Hellyer: What is the right hon. gentleman quoting?

Mr. Starr: General Allard's speech.

Mr. Diefenbaker: The government took the Canadian forces and dressed them up in little green uniforms. Now they are all dressed up with no place to go.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The peace keeping operation, as the minister admitted involuntarily in his answer a short time ago, will have to be looked into in the years that lie ahead. Those were his words earlier today, as I recall them.

The whole foreign policy of Canada, as a result of President Nasser's action reinforced by that of U Thant who could do nothing but what he did, has disappeared. All we have now is the unification legislation. "Royal" has gone. The basis for the legislation has ceased to exist. Is it any wonder that the faces of the government's ministers on Friday wore a look of defeat? They realized then for the first time that the unification legislation would create a force that would not defend Canada. We warned them the legislation makes the United States the defender of Canada and it provides forces for the United Nations to be used in all parts of the world whenever required.

Sir, this is a serious blow to policies not fully thought out and not reasoned out and what has happened completely supports the various high ranking officers who stated that the government's policy was a chimera, a dream. They said it would lower the morale of Canada's forces without bringing effective results. The government based its foreign policy on the assumption that what the UN had put together no man could put asunder. Today we face one of the most serious setbacks to international peace witnessed over the years.

I was in San Francisco in 1945 when the dream was for the creation of an international force to preserve and maintain the peace to be mobilized by the various nations comprising the United Nations. How this was to be done was not discussed. The great nations, with one exception, stood by the smaller nations, and the great nations had to assume the responsibility.

Sir, the first thing to be done is to restore an alternative force. Unless that is done the United Nations will be as powerless and impotent as was the League of Nations following the action in 1935 when Mussolini moved into Ethiopia. And what has happened now? The assembly is meeting. The charter gave the responsibility for peace keeping to the security council and, when the security council was not sitting, the general assembly by resolution could assume the authority for providing a United Nations force. The dreams of the charter have not been attained. The security council with the assistance of the military staff was to apply armed force for peace keeping. Today, whether it sits or not that committee has no authority. U Thant as secretary general has become the officer commanding the forces under the United Nations. The "unified for peace" resolution has not been acted on. At a time when the peace of the world is threatened what happens? The United Nations spent its time last week passing a resolution about West Africa and South Africa's mandate over it. It must have been realized that the resolution is almost unenforceable. Yet the problem facing the world has not been brought before the assembly. I hope that Canada acts at once to bring this matter before the assembly.

• (3:40 p.m.)

The war of nerves is on. We can only hope that as a result of what has taken place in the last few days there will be a realization of the terrible danger which faces the world. If the general assembly of the United Nations would meet now to deal with this matter and discuss it the danger might yet be averted. After all, it is a forum for discussion. Why has it not been empowered to deal with this matter? Why does it sit silent on everything except the West African mandate at a time when it should be dealing with a situation which threatens the peace of the world?

So far as the United Nations force is concerned, we asked earlier today what is to be done about the Canadian element. I cannot understand why the Canadian contingent should remain there the longest. We have been dedicated to peace keeping. We in Canada have been paying the cost of the United Nations force in Cyprus—without contribution and without thanks. Two weeks ago the U.S.S.R. indicated it would make no contribution to the cost of peace keeping.

The minister suggested the other day that the United Nations force now disbanded, to use his words, might be placed inside the Israeli boundary. If this were done we would be placing a non-United Nations force, a force unarmed except for small arms, in a dangerous position. It would be transformed ultimately into a combat force between Egypt and the other Arab nations, and Israel.

The situation of Israel is dangerous and threatening. I have seen the armed forces of that country through the inexperienced eyes of one who served in the lowest officer rank. There is wonderful morale in the Israeli forces. But they do not want war. It was never intended that the United Nations force should be used as a peace preserving unit. That means war. I asked the commanding officers of the United Nations force on two occasions how long they thought that force would last in the event of hostilities breaking out. The answer was: We would not last; we have no power; we are simply here in a supervisory capacity reporting on incidents which might ultimately lead to war. But we have no power or authority to act.

Furthermore, the ambassador for Israel said of the suggestion which was made by the Secretary of State for External Affairs that Israel receive a United Nations force on her territory:

> There are legal difficulties there, because legally the force is no longer in existence.

I want to see Israel stand. I paraphrase the words of an English poet: Come what will, Israel yet shall stand. But to take a United Nations force and put it inside Israel within the territorial limits of that country would turn it into a combat force, unprepared as it is for combat.

I think the failure of the government to take a stand on the Viet Nam situation has been a major factor contributing to what is now happening in the Middle East. By this I do not mean that Canada is in any way responsible. The government has failed to take a stand on Viet Nam which could be understood. It has let Canada down before the world. One member of the administration backs the United States. Another says the United States has no moral right to be where it is. This creates a false sense of security in all parts of the world to the Canadian attitude. Indeed, the Washington *Post* of May 19 carried this headline following the admonition delivered by the Prime Minister extramurally at the conclusion of a recent cabinet meeting: "Canadian Cabinet Discord On Viet Nam Papered Over". That is the response by a newspaper which has been friendly to Canada.

What about Viet Nam? I remember well the words of the Secretary of State for External Affairs when he spoke in this house on May 28, 1965, as reported at 1779 of *Hansard*. He said:

> We know the North Vietnamese have taken advantage of social discontents to pose as the effective leaders of a reform movement. We know that by resorting to terrorism and blackmail they were able to establish control over large segments of the population and to organize the Viet Cong into an instrument of aggression directed, encouraged and supported on a grand scale since 1956 by men and equipment from the north. We believe there are at present over 35,000 highly trained guerrillas who have been infiltrated into the south from the north.

Further:

> On the one hand we have the aggressive form of communism which sees wars that favour its purposes as "just wars". On the other we have the determination of the United States, for one, not to allow this aggression to be profitable, and the determination of the people of South Viet Nam to decide on their own future...
>
> Some people in this country—and if I interpret his comments correctly this includes the hon. member for Burnaby-Coquitlam—appear to be advocating that the United States simply get out of Viet Nam. I wonder whether these people have really thought through what this would mean...
>
> If the United States withdraws from Viet Nam, how far is it to withdraw? Does it mean that Thailand, the Philippines and Malaysia, to mention only three of the nations most directly affected, are to be left to fend for themselves with nothing between them and an expansionist China? What about India, which has already had a bitter taste of China's expansionism? What is to happen to Australia and New Zealand?

In these words the Secretary of State for External Affairs took a stand. And he had the Canadian people behind him. Since then there has been all this tinkering by ministers, supported now by the Minister of Manpower and Immigration (Mr. Marchand) who is sympathetic to the views expressed by the President of the Privy Council (Mr. Gordon). We say: Let it come to the peace table. That is the objective of all here. The attitude of communist China was revealed recently by Simon Malley who has just returned from Peking. He said:

• (3:50 p.m.)

> China will send its vast armies into Viet Nam the moment Hanoi is threatened with a "sellout peace," Prime Minister Chou En-lai told me in his first interview with a foreign correspondent in two years.
>
> He sat with me in his reception room in the Forbidden City of Peking and declared that Hanoi

has only to say the word to bring an avalanche of Chinese "volunteers" to its aid.

Ultimately, he predicted, the course of events will result in just that.

Day after day over the C.B.C. we have a continual chorus being placed before the Canadian people that after all communism is not so bad. They advocate the United States get out regardless of the consequences. That proposition is a complete denial of the prospects that mankind faces.

This government has tried to be on both sides of the question of Viet Nam. At Temple University in Philadelphia the Prime Minister two years ago said:

No nation—and particularly no newly independent nation—could ever feel secure if capitulation in Viet Nam led to the sanctification of aggression through subversion and spurious wars of national liberation.

Today with the situation dark and difficult the government of Canada is on both sides of the Viet Nam question. It is at the same time on neither side. The ministers speak multilingually on foreign affairs regardless of the fact that in so doing they are failing to give leadership. I think, and I have never detoured from this position that the United States ought to carry out the appeal that was made by the United Nations Secretary General for a halt in the American air bombardment of North Viet Nam. I realize such a step would cause dangers and there are imponderables in the equation. There is no positive guarantee that it would bring about peace talks. It might enable the north to increase the flow of goods to the south and strengthen defences at home. All of this is true but, sir, let it be tried.

U Thant has said that he is afraid we are witnessing today the initial phase of world war III. No one knows what, if anything, will bring Viet Nam to the peace table but it will not be the mass evacuation of United States forces, a proposition which received such approval from the communist party in our country the other day in a release from communist headquarters. On the other hand, realizing the position of the United States I believe that there should be a bombing halt with a strenuous peace offensive by leaders everywhere in the western world.

Certainly what is happening today is frightening in its implications. Those of us who are older will not be there if war comes but the young men and women of this nation and of all the western nations will not stand idle. The other day five United States senators, both Republican and Democratic, came out in favour of action along this line. The Democratic leader in the U.S. senate pleaded for such action. I would like to see our parliament, while realizing the tremendous contribution of the United States, make clear the view that such a bombing halt is necessary today. There will be no second prizes in the next world war.

Can we not hope that instead of being answered, as we were today, in a condescending manner, the government will come clean, will tell Canadians the facts, will let us know what the course is to be—not the unimaginative nonsense of the Minister of National Defence in setting up his personal plaything, the unified force. Let us have a declaration from the government of Canada as to what it intends to do and the course it intends to follow, denuded of these massive phrases and expostulations to which we are subjected from time to time. Let us have a statement in clear and unequivocal language.

It is on that basis that I move the amendment, and I repeat what I said when I began. There was no other course open to obtain from this government its views and the attitude of the administration. We tried to have by agreement discussion for a day or two on these matters. That was refused. We tried to bring about the convening of the foreign affairs committee, to bring before it those two Canadians, one of whom on the C.B.C. and the other in the Montreal *Star*, who by what they stated, if it is true, delivered up to all the world Canada's reputation for fairness and justice.

The criticism by these two men, who bear good reputations, deprived Canada of being in a neutral position on the International Control Commission. These two men should be given the opportunity to tell their story. If what they said is not true it should be so branded, but if it is true it is the utmost condemnation of this government. It shows that this government has been playing at walking down the centre of the street and pretending to do business on both sides of the street.

Therefore I move, seconded by the hon. member for Ontario (Mr. Starr):

That all the words after "that" be deleted and the following substituted therefor:

"This house regrets that, despite repeated requests by honourable members, the government has neglected or refused to make available time to debate international problems which are so serious and dangerous that they could lead to world war III and further regrets that the government has failed to state the policies of our country with clarity, without uncertainty and unequivocally with regard

to Asia and the Middle East so that Canadians and freedom-loving nations will know where Canada stands.

Some hon. Members: Hear, hear.

• (4:00 p.m.)

Mr. Speaker: Order, please. I believe I should bring to the attention of hon. members that it has been the practice in the past in such debates to recognize, after the Leader of the Opposition, representatives of the other parties to the left of the Chair. In view of the special circumstances of this debate, if the hon. member for York South wishes to allow the Secretary of State for External Affairs to make a reply immediately I would recognize him. I must say, however, that normally under the practice which has been established for some years now the hon. member for York South would normally be allowed to speak at this time.

Mr. Lewis: Mr. Speaker, in view of the world situations we are discussing it seems obvious to me that the minister responsible for our foreign policy ought to have the earliest opportunity to speak. I am delighted to agree to your suggestion.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, in rising to speak at this particular point in the debate I am moved to do so for the reasons stated by my hon. friend. I thank him very much for recognizing that in view of the importance of the discussion it is desirable that I should intervene at this time.

My right hon. friend has presented an amendment in which he criticizes the government on a number of counts and thereby by implication asserts that he has no confidence in the government of Canada for the reasons stated in the amendment.

Mr. Mandziuk: Find out who has.

Mr. Martin (Essex East): I shall be glad at once to deal with what I believe to be the invalid grounds on which he has predicated his amendment. I do not propose to deal with every question he has raised in the amendment nor do I propose to deal with his speech in the same terms he has used. I shall endeavour, however, to deal with the situation confronting the world at the present time, the seriousness of which I think warrants as objective a discussion as those of us on all sides of this house are capable of giving to it. My hon. friend asks, what is the policy of the government on Viet Nam, what is the policy of the government with regard to the situation in the Middle East, and what is the policy of the government on this and on that. My hon. friend has a right to put these questions just as the country has a right to learn from the government its position.

Having examined the debates in the British house, in the chamber of deputies in France, in some of the Scandinavian deliberative assemblies and in Australia and New Zealand, I should like to say, with regard to the question of Viet Nam, that I challenge any hon. gentleman to indicate that in these places there has been more debate or more thorough debate either in the house or in a committee of that house. In discussing a matter of this great importance it would be well for us to bear in mind that other countries in the western world, concerned as they are about the world situation in Viet Nam, have had the same kind of indictments made against them that understandably are made against this government in respect of a worrying and difficult situation.

The Prime Minister of Great Britain—the leader of the Labour government—when requested in the House of Commons in Britain to disclose the nature of the discussions he had had with Mr. Kosygin said that he and the premier of the Soviet union devoted the major part of their discussions to Viet Nam. He said that these discussions were urgent and constructive. He also said they were confidential.

Mr. Diefenbaker: On what date and on what page does this appear?

Mr. Martin (Essex East): It appears at pages 346 and 347 of the British parliamentary debates for February 14 this year. He said:

> They were also confidential and must remain so, as must equally my contacts with the President of the United States.

Then he went on to say:

> These disappointments should not drive any of us into panic measures, reversals of policy or into the delusion that peace can be secured by dramatic but ineffectual declarations. Those of us who have a role to play in this matter have a duty to keep cool and to keep our eyes fixed on the goal we set ourselves last week, to use the influence we possess to prevent the bitterness as well as the fighting from escalating, and to begin again, however difficult the circumstances, to create two-way confidence—and to remember above all that our objective is not to strike allegedly moral postures or to make unhelpful denunciatory declarations—our objective is to secure peace.

Mr. Speaker, I believe those words are as applicable to Canada and this house as they are in Britain a country not engaged in the war in Viet Nam and having in that regard a position similar to that of Canada. We are not a combatant in that war but in 1954 we assumed a responsibility under the terms of the Geneva Accord.

My right hon. friend today although not confining himself to two subjects, dealt primarily with two. I will deal with the first one, the situation in the Middle East. As we all know, the Secretary General of the United Nations is now in Cairo on an important and delicate mission. He will be exploring with the president of the United Arab Republic the ways and means by which the United Nations might be of assistance to the parties immediately concerned with the present situation on the border of Israel. On Saturday morning I discussed with U Thant a number of matters. I should add hastily that the differences in modalities between the Canadian government and the Secretary General—and they were only differences in modalities—in no way affect our regard for the high office which he holds nor do they in any way affect the high regard we have for the Secretary General of the United Nations.

Some hon. Members: Hear, hear.

• (4:10 p.m.)

Mr. Martin (Essex East): I discussed with him the possibility that the United Nations truce supervision organization might be reactivated in Gaza and the Sinai as an aid to peaceful conditions in the area. He will look into the possibility and, I am sure, investigate what might be feasible in the light of the position of the government of the United Arab Republic in requesting the withdrawal of the United Nations emergency force. The Secretary General explained to me in detail his reasons, some of which I have given today in an answer to a question, for the step he took in answer to the demand, addressed in the first instance by the foreign minister of the U.A.R. to the general commanding the United Nations force. He circulated a report summarizing his position in that regard to the security council on May 19 last.

I told the Secretary General that I understood and respected his position even though we differed on certain aspects of the procedures involved, but that our only concern now in view of the decision he has taken is to be of whatever assistance we can to enable the United Nations to play a useful role in the area. This will depend in part on the results of his conversations in Cairo. I did express the hope that he might find it possible to visit other countries in the region so that when he returned to New York he could give a complete report on steps that might be taken by the United Nations to ease the position and restore peaceful conditions.

I reminded him that in a similar situation in 1958, after the landing of marines in Lebanon and British forces in Amman and Jordan, the then Secretary General announced that he was going to see the president of the United Arab Republic, and it was while he was in Cairo that he indicated his intention, in the interests of establishing an equilibrium in the area, to visit Israel and Jordan, and indeed he went to Iraq.

It is my hope that the discussions the Secretary General will have in Cairo will make it possible for this balancing kind of visit to take place. I also spoke when I was in New York on Saturday to the ambassadors of the United Kingdom, France, the United Arab Republic, Israel and Syria. I would have welcomed as well an opportunity to speak to the ambassador of the Soviet union but he was not available.

I took the opportunity to explain to these spokesmen for their governments the views of the Canadian government and as well to obtain their views. I expressed our concern over the potentially dangerous situation which had arisen and endorsed the Secretary General's plea for restraint by all concerned. I made it clear to the representatives of governments from the area that Canada had no intention of abandoning its impartial attitude toward the problems of the Middle East and that our chief interest was to work out with the United Nations some solution to restore stable conditions in the area.

I also indicated that as a major contributor to peace keeping operations we were naturally anxious that nothing be said or done which would destroy the confidence that member states must have in the United Nations as a conciliator and impartial presence. Let me say that notwithstanding the present ineffectiveness of the United Nations in many areas this government believes in its potential strength and in its necessity as an institution in this interdependent nuclear world of ours.

While in New York I also discussed the role of the security council in the present situation. My right hon. friend spoke of the authority of the assembly. It must not be forgotten that the security council is the agency under the charter constitutionally set up to deal with situations that threaten the peace.

As we know, this does not preclude the general assembly, through the uniting for peace resolution, from asserting its view, but in so far as enforcement action is concerned this can only come, as I know my right hon. friend will recall, under the authority of the security council.

I indicated that the council ought to be in continuous session, with its members constantly available so as to be ready to act whenever necessary. I well recognize that there might be some danger of precipitating a premature confrontation in the council if it were to meet before the parties to the dispute were ready to agree to some interim steps which might be taken, perhaps as a result of the visit of the Secretary General. Naturally, if there were serious incidents or other developments which might lead the council members to believe there might be conflict, then the council could meet at once to deal with the situation. Yesterday's announcement by the president of the United Arab Republic that he was stopping Israeli shipping in the Gulf of Aqaba may require the council to meet.

Urgent consultation between the members is now taking place and Canada as a member of the council is participating in these discussions. There are considerations, as I am sure the house will realize, which must be very much in the minds of the members of the council before they decide to take particular steps or before they decide to meet.

President Nasser is reported to have stated in his speech last night that U.A.R. forces had occupied Sharm-el-Sheikh and that the U.A.R. would not permit a ship flying the Israeli flag to pass through the Gulf of Aqaba.

Mr. Lewis: May I ask the Secretary of State for External Affairs whether President Nasser did not say more than that? Did he not also say he would not permit any ship carrying strategic material to enter the gulf?

Mr. Martin (Essex East): That is right. He said he would not allow ammunition or materials of war to pass through.

I was just about to observe that this was one of the matters that the Secretary General will undoubtedly be discussing. I asked our representative on the council to take full part in the discussions in New York that are now taking place, and to note particularly the discussions that have already taken place between certain of the permanent members of the council.

As the Minister of National Defence (Mr. Hellyer) said during the question period, this situation is one that we in this country all very much regret. I am sure that people throughout the world regret it. There is recognition of the effectiveness during the past ten and a half years of the United Nations emergency force. The fact that the U.A.R. has asked for the withdrawal of the force and that two of the contributing members indicated they would no longer serve in the force—

Mr. Churchill: Which two are they?

Mr. Martin (Essex East): As I indicated last Friday in answer to a question by my right hon. friend, the two which took that position were India and Yugoslavia. These are considerations that have to be borne in mind in assessing the effectiveness of the force as an instrument of pacification. I welcomed this discussion in light of our experience in this particular kind of situation, but the difficulties of maintaining a force must be borne in mind.

The United Nations truce supervision organization, essentially an observer group now with 120 men although at one time it had a personnel of some 700, has certain powers under the mixed armistice commissions created by the security council. These powers could enable it, together with certain other powers, to act as an effective international presence and a United Nations body to keep the peace between the conflicting parties. It may be that at this moment the time is not appropriate for putting this into effect, notwithstanding the desirability, because it must be remembered that such a force cannot be established without the consent of the parties involved, the host countries, in this case the United Arab Republic and Israel, nor can it be accepted in terms of an enlargement of powers by the security council unless all five of the great powers consent. So it will be understood why there should be consultations and negotiations prior to a formal meeting of the council.

• (4:20 p.m.)

Mr. Diefenbaker: Mr. Speaker, would the minister allow a question? He mentioned those with whom he had communicated on Saturday and said he would have been willing to discuss the matter with the ambassador of the U.S.S.R. Was there any reason why that consultation did not take place, or was he absent?

Mr. Martin (Essex East): I was not suggesting that there was any reason. I was simply told through our ambassador that it was not possible because of other arrangements that I presume the ambassador had made. The request came late, as indeed it did to all those I have seen. It was only late Friday that it was agreed I should go to New York. However, I know that there have been consultations outside the United Nations involving the Soviet union, and I would hope that these would have constructive and satisfying results.

I do not believe there is anything more I can say about this situation. We all recognize how serious it is, particularly the sensitivity in the Gulf of Aqaba. I would sincerely repeat the plea made by the Secretary General of the United Nations to all the parties concerned that this was an occasion when restraint and caution should mark their efforts and their examination of the situation.

Mr. Nesbitt: Mr. Speaker, would the minister permit a very brief question at this point? A few moments ago the minister referred to President Nasser's declaration that Israeli ships would not be allowed to enter the Gulf of Aqaba, nor would ships of other countries carrying strategic material. Has there been any indication to our government that the United Arab Republic would demand to search ships to see whether strategic material was aboard, and was there any indication as to what would comprise strategic material?

Mr. Martin (Essex East): My understanding is that two ships have already gone through. I might mention in passing that the United Nations convention of April 29, 1958, on the territorial seas and contiguous zones provides for the right of innocent passage. This treaty has been signed and ratified by 33 countries. It has not been signed or ratified by Saudi Arabia or by the United Arab Republic. It was signed by Canada. It was not ratified by Canada for reasons, as my right hon. friend will know, that had to do with our negotiations regarding problems involving the law of the sea. But there is no doubt in my mind that this convention is declaratory of international law, which provides for innocent passage in respect of international waterways.

My right hon. friend came back, as he had every right and indeed as he has a duty to do, to discuss the problem of Viet Nam. This question has been the subject of persistent interrogation, and rightly so, in this house now for two and a half years. I would simply remind the house, and I do this not by way of defence of any kind of response that I make to questions, that in all the parliaments which I have studied questions on international affairs are put following written notice. I have not taken refuge—

Mr. Diefenbaker: That is what the rules say, but you have not followed that course yourself.

Mr. Martin (Essex East): —in this perfectly legitimate response that I could make, because I felt that we were entitled in this house to the fullest explanation which a minister in my circumstances and having my responsibilities could give. I think the record of this house and the record of the external affairs committee will show that the government's policy has been stated over and over again in the only way in which it can be stated having in mind the nature of our role on the commission, the nature of diplomacy itself. In the interests of achieving what one hopes one might achieve as a result of the contacts which the government has in respect of a matter so delicate and important as the war in Asia, I hope this will be understood.

But I should like to repeat again that Canada is not a belligerent in this war. Canada did not start this war. On the government benches we have said that it is not the intention of this government to commit troops to that war. I have said in answer to questions that our commitment in that regard could only arise pursuant to an obligation inherent in the charter of the United Nations. That continues to be our policy. Because it has been said that in the long run more is to be gained by quiet diplomacy, the government has been charged, as my right hon. friend charged today, with refusing to give this house and the country information which it was entitled to have. I know my right hon. friend too well, however, to take all of his observations with the same serious intent that he would have me bestow on those observations. I have sat in this house with my right hon. friend a long time. I know his technique just as well as I am sure—

Mr. Monteith: We know yours.

Mr. Martin (Essex East): —he has admiringly watched my technique.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): I saw a report the other day that my right hon. friend said how dangerous a thing was quiet diplomacy. One could almost imagine him conjuring up

Wilson and complaining about secret diplomacy as though quiet diplomacy and secret diplomacy were the same kind of thing or even the other side of the same coin. The real fact is that no one can carry on diplomacy unless it be quiet. It ceases to be diplomacy if it is not quiet. You would not be able—

Mr. Diefenbaker: You should tell Mr. Gordon that.

Mr. Martin (Essex East): —to enjoy the confidence of others if this were not the case. For instance, in my talks with the Secretary General I am sure that if I had not established a standard of credibility with him it would not have been possible for me to receive at his hands certain information which I believe to be very important and which I passed on to my colleagues in the government, as he has passed it on to certain other spokesmen for other governments.

It must also be understood that quiet diplomacy is not part of foreign policy, as some hon. gentlemen in this house, at least by implication, suggest. Quiet diplomacy is not policy. Quiet diplomacy is not a program. It is an instrument. It is a technique, and no one employed it, and rightly so, more successfully than my right hon. friend in certain situations such as that which confronted his government with respect to the Congo.

• (4:30 p.m.)

There are occasions when a government should not hesitate to make a public declaration of policy, but that is not inconsistent with the necessity, for instance, of Canada as a member of the commission treating matters with colleague states in a confidential way. Certainly that is the only way one would carry on discussions in this matter with the government of Hanoi, either through Mr. Ronning or through our present representative on the commission. Certainly one could not enjoy very long the confidence of any government unless one had created a reputation for respecting confidences and had won, as a result, a credibility where it is necessary for the Canadian government and other governments to make contacts if they are going to make their contribution to try to bring about an end to this very difficult and regrettable war in Viet Nam.

On this subject I would simply remind the house what a former Canadian diplomat, Mr. Escott Reid, pointed out the other day, namely, that quiet diplomacy is the application of sound practice in our relations with other countries. I hope that no one is going to say the government is refusing to give information because it observes something that every government, in the conduct of its affairs with other countries, must do in the interests of satisfactory relations and the attainment of its objectives.

We are a member of the commission. We have been there for 13 years along with India and Poland. Charges of spying against our personnel are unfounded, and I regret that my right hon. friend brought that question up today. I want to say, as Secretary of State for External Affairs, that we have every reason to be proud of the soldiers who from 1955 on have served Canada on the commission. Certainly I as Secretary of State for External Affairs am proud of the record of integrity and purpose of the foreign service officers of the Department of External Affairs who under difficult circumstances have served the cause of peace and international conciliation in a way that should win expressions of gratitude and occasion the pride which I feel in this service and in what they have done as members of this commission.

When a year ago last January the Secretary General and I discussed the question of Viet Nam I was persuaded by his argument that the settlement of this problem must be within the framework of the Geneva conference. Regrettable as it was, the United Nations, the security council or the assembly, could not be expected to deal effectively with this problem because of the absence from its membership of particular countries involved. From that moment on we sought, as I have reminded the house time and time again, to impress upon India and Poland the desirability of constituting the three members on the commission into a body that might have as its prime purpose the narrowing of the gap between the parties, based on the fact that this instrument has a readier access to Hanoi and to Saigon than any other instrument. We have not been able to persuade all the members of the commission of the importance of this proposition although both Poland and India have recognized the potential role for the commission in this situation.

We did not limit our efforts only to our role as a member of the commission, but on two occasions we sent Mr. Chester Ronning as a special emissary of the government of Canada to Hanoi, to Saigon and to Washington for the purpose of seeing whether or not he, in the name of the government of Canada, could

make any progress in delineating the distances between the parties and seeing whether or not a formula could be reached which might at least bring about preliminary discussions between the parties involved in this war. I may say that on his first visit Mr. Ronning did bring back information which I believe was important, information which has since been partially made public but which I think, while not furthering the ultimate cause which he and the government had in mind, nevertheless has assisted us to understand the difficulties and perhaps the reasons for the inflexible position which both parties seemingly have taken in their declared positions.

Let no one say that the commission or the Canadian government has not been engaged in trying to bring about peace. The record is there to judge when the time comes for its full exposure, and I venture to suggest that Canadians will not be ashamed of our efforts through this instrument to try to bring about peace in this situation.

We did not stop with these endeavours only. I went to the Soviet union and to Warsaw last November in connection with the war in Viet Nam. If I am not able to disclose fully the nature of the conversations which I had, it is not because these were not directed toward the kind of objective that we had in mind in the commission or toward the kind of objective that we have in mind now. Right from the beginning our position with regard to the war in Viet Nam has been that we wanted a cease fire. Right from the beginning we firmly declared our view that a military solution alone to this problem was neither desirable nor practicable. When a year and a half ago the unaligned nations made an appeal, Canada was the first country to join in that appeal. It will be recalled that we urged the United States to accept certain positions with regard to the 17-point appeal made by the unaligned nations.

My hon. friend says he is concerned about the war in Viet Nam. Is there anyone in this house who is not concerned about the war in Viet Nam? Is there anyone in Britain, in France, in Belgium, in the Scandinavian countries or in the United States who is not concerned? Governments which have particular information on certain aspects of this problem are not on that account excused from being concerned about the war in Viet Nam, about its escalation and expansion, about the dangers of further escalation and the dangers of involving other countries and of creating situations that could add to the intensity of the present conflict.

[Mr. Martin (Essex East).]

I am not asking for any sympathy from this house. I have been here too long to know the unwisdom of that kind of tactic. But I will say that the house has the right to know that as a member of this government charged with this matter there has not been anything that has occupied my time more or that of the Department of External Affairs than trying to achieve some success in the areas about which I have been talking in the past few minutes, and this has been shared by my colleagues in the government. No man has been more devoted to the cause of peace in his lifetime than the Prime Minister and it is only to be expected that any government of which he is the head would, as would a government headed by any other hon. member in the house including my right hon. friend, be anxious to bring about peace. We do not help to bring about that kind of condition when we charge, knowing full well that the government cannot take any other course, that the government is unwilling to give parliament and the public information, and when any hon. member who makes that charge knows perfectly well, if he knows anything about the conduct of foreign policy, that for the government to take any other course than the one it has followed would be irresponsible and would not be calculated to bring about peace.

• (4:40 p.m.)

Yes, Mr. Speaker, the Canadian government is concerned about the course of events in Viet Nam. If we do not say publicly exactly how we feel on every aspect of this problem, that does not mean that quiet diplomacy denies us the right or the opportunity of telling even our friends, the United States, how we feel on particular matters.

Mr. Diefenbaker: Would the minister allow a question? Would he say whether he agreed with the view expressed by his colleague, the President of the Privy Council (Mr. Gordon), that the United States has no moral or strategic justification to be in Viet Nam?

Mr. Martin (Essex East): My right hon. friend should at least accord me the privilege today of appreciating that I am trying to deal with this subject in as objective and non-political a manner as I possibly can. The right hon. gentleman and I have been in this house almost longer than anyone else, and I do not think he would object to my saying this. He has had a distinguished career, but I do not think he has added to the distinction of that career by using foreign policy so often as a means of promoting political advantage.

Mr. Diefenbaker: Would the minister now answer the question? This was a statement which was made by one of his own colleagues.

Mr. Speaker: Order, please. The Secretary of State for External Affairs has the floor.

Mr. Diefenbaker: Mr. Speaker, will the minister allow a question?

Mr. Pearson: Nobody interrupted your speech.

Mr. Diefenbaker: The minister speaks of being non-political. A few moments ago he was piling praise on himself, so I would ask him—there is nothing political about this; this statement was made by one of his own colleagues—whether he agrees that the United States has no justification, moral or strategic to be in Viet Nam. Is that government policy?

Mr. Churchill: Answer the question.

Mr. Martin (Essex East): Mr. Speaker, my right hon. friend must not think I am that innocent. He may try that on some young member who has been in this house for a week but he must not try it on me.

I stated that this government was concerned about the course of events in Viet Nam. For 20 years now since the end of the second world war the world community has tried to build a system of international law and order. It is part of that system to settle disputes by peaceful means. We regret that in Viet Nam recourse has been had to military means to deal with what is essentially a political problem. We are naturally concerned about the tragic toll in human suffering and destruction which this conflict is bringing to the Vietnamese people and to their country. We are also concerned that the longer the conflict continues the more difficult it will be to overcome suspicion and distrust on both sides. The longer the conflict continues the greater, of course, are the risks that it may expand, by inadvertance or deliberation, into something more serious. Accordingly we have urged restraint in those areas and in the way which we thought was the most effective.

I spoke a moment ago of Mr. Chester Ronning and of the commissioner's frequent visits to Hanoi. Has it ever dawned on my right hon. friend that if Hanoi has repeatedly observed that there is a Hanoi-Canada channel it is only because Hanoi believes that Canada does have some influence in Washington? What other reason could there be for the way in which our emissaries have been received? What other reason could there be for the nature of the discussions they have had?

I am not indicating to this house—and I hope that Hanoi will not suggest that I am —what these discussions have been. I have respected fully the confidences of the government of that country to our emissaries including Mr. Ronning. As I have said, if we do have a credibility in Hanoi it is because it is thought that as a friend of the United States we rightfully enjoy the confidence of the United States.

The United States is a country that we respect, whose friendship we have enjoyed and whose society is so much like our own. Would we retain any credibility in Washington Mr. Speaker, if we were to engage in consultations with the United States and at the same time follow courses of action that would inevitably destroy our right to their credibility and their confidence? This is something that Mr. Wilson mentioned following the discussions he had with Mr. Kosygin when he was charged with refusing to give the British house any information as to the results of his discussions, which extended over a period of one week, with the premier of the Soviet union.

I have stated that we are concerned about this situation, Mr. Speaker, and I make this additional point. We are not a party to this conflict. We have undertaken no military commitments in southeast Asia. The only commitment that Canada has in that area is to support and accelerate the economic development of the countries of southeast Asia.

The government intends to continue as a member of the international commission. This has been a difficult experience, Mr. Speaker, as my right hon. friend knows. I say that because he was the head of a government that was charged with the administration of the commission just as is this government. It was for that reason that I was so surprised when he belittled the commission by referring to allegations, thus far completely unfounded, with regard to the personnel of that commission.

Mr. Diefenbaker: Why not put these men before a committee?

Mr. Martin (Essex East): If that was a proper charge to make against this government then it was a proper charge for my right hon. friend to make against himself, because he was head of a government that was charged with the responsibility for the commission between the years 1957 and 1962.

So, Mr. Speaker, we intend to carry out our responsibilities to the commission, and we believe that this is the right course for us to follow. We note with satisfaction that this is the view of India and also of Poland. The Canadian government has directed its efforts toward finding a basis on which the parties to the Viet Nam conflict might be brought into direct contact. I have indicated some of the steps we have taken in our endeavours in that regard.

The Canadian government has held that a solution to the problem in Viet Nam must be sought by political means. That is part of Canadian policy. We have made it clear that we look to negotiations to settle this problem. It seems important to us that any settlement of the present conflict should be such as to hold out a reasonable prospect of long term stability in that area. This is because we think that the problem in Viet Nam cannot be isolated from the security and stability of southeast Asia as a whole. We regard the basis of the Viet Nam problem as a political one.

• (4:50 p.m.)

As we see it, Mr. Speaker, what is primarily at issue between the parties is the future political arrangements in South Viet Nam. It is argued on both sides that the guiding principle should be the right of the people of South Viet Nam to determine their own destiny. It seems to us that the best way of achieving this is to afford the people of South Viet Nam an opportunity to determine by the test of the free ballot under what institution and under what government they wish their affairs to be conducted. We believe that the best way in which the Canadian government can bring its influence to bear on the Viet Nam situation is by doing exactly what we have done.

Mr. Diefenbaker: Oh, oh.

Mr. Martin (Essex East): On April 11 in the external affairs committee I outlined four suggestions or ideas that are in keeping with the Geneva accords. I suggested procedures for a cease fire arrangement. I said at the time that I did not believe the climate was right for their acceptance. The reaction in Hanoi has been negative. Hanoi takes the position that there can be no parity of position between the parties, that first of all there must be an acknowledgement that the United States, as Hanoi puts it, is the aggressor, and this notwithstanding the findings of the commission in 1962.

While the United States would probably find most of our points acceptable, I believe it would register objection to an approach to de-escalation which begins with mutual disengagement in the demilitarized zone, coupled with a cessation of the bombing. I think that would be unacceptable to them.

Mr. Churchill: Would the minister permit a question at this point. Is it not a fact that Dean Rusk said on television the other night that the United States had suggested to Hanoi a withdrawal of both sides from the demilitarized zone? Apparently that was not the minister's suggestion.

Mr. Martin (Essex East): I am glad my hon. friend said that because Mr. Rusk, it will be remembered, said that that portion of the Canadian suggestion was acceptable to him. Mr. McNamara, the Secretary of Defence, also said that.

The point I make is that not only should there be a mutual disengagement in the demilitarized zone but that in all equity, if both sides accept that arrangement, there ought to be a cessation of bombing. Mr. Rusk has not explicitly accepted that. The Canadian government is prepared to make its own contribution to the eventual settlement in Viet Nam. We envisage that any agreed settlement of the present conflict will make provision for some sort of international presence. That, indeed, will be a very difficult assignment and if and when it comes, as the Prime Minister of Great Britain has put it, it may need to be buttressed by the guarantees of the great powers.

So, Mr. Speaker, I have today restated what I have stated on five occasions in this house and on six occasions in the external affairs committee to be the policy of Canada on the war in Viet Nam. That policy may not be acceptable to everyone.

Mr. Diefenbaker: Not to the President of the Privy Council.

Mr. Martin (Essex East): No one recognizes more than I do the rights of individuals in this house and outside.

An hon. Member: And in the cabinet.

Mr. Martin (Essex East): But no one has the right in the face of the government's record, in the face of the reaction of other countries toward what this government has sought to do, to charge us with not having a policy, with refusing to give information, with not trying, as a country not involved in this

war, to bring about peace discussions. The facts are otherwise.

The situation facing the world admittedly is serious, but it is not a situation to which this country has contributed directly except that by being a member of the international community we possibly must bear our share of responsibility for a climate of world opinion that permits the absence of the rule of law two decades after the most terrible experience in human history.

We dedicate ourselves in this country, in so much of our foreign policy to upholding the charter of the United Nations. I agree fully with the Minister of National Defence. Because we have suffered a reverse in peace keeping in the Middle East, that does not mean that the concept of Canadian peace keeping, as proposed and practised by the Canadian government, is invalid. We believe that this is an essential operation for the United Nations and that there will be additional situations which will require the use of UN peace keeping machinery. We still hope that in the Middle East, as I said at the outset, it will be possible for us to establish an international presence through the United Nations for this purpose.

The war in Viet Nam has disturbed the world; of that there can be no doubt. In one sense I think that disturbance represents a growing conviction of men and women everywhere that war as an instrument of national policy is anachronistic and that it has ceased to be a practical way of settling disputes between nations. But it is not our war. We did not cause this war, and the record shows that we are doing everything we can to bring it to an end.

Some hon. Members: Hear, hear.

Mr. David Lewis (York South): Mr. Speaker, before dealing with the Middle East and Viet Nam may I say a word about the right hon. gentleman's amendment. During the short time I have been in the house I have learned to admire the right hon. Leader of the Opposition (Mr. Diefenbaker) and to admire particularly his sense of humour. When he suggested that the government was free to accept his amendment I felt he was indulging in his admirable sense of humour. It was perfectly clear when he read the amendment that the government could not accept it. If I might say so without being unkind, even the extreme kindness of the Prime Minister (Mr. Pearson) would not allow him to accept that kind of amendment.

Mr. Pearson: That was never in my mind.

Mr. Lewis: It is our intention to move a subamendment today, despite the request of the right hon. Leader of the Opposition that we do not do so.

It would be trite to emphasize that we are in an extremely dangerous world situation. Everyone has spoken of it and will continue to speak of it, because the situation is pressing. The tragedy of the present world situation is that as conditions in Europe improved, as the cold war on the European continent receded, as a genuine détente between the Soviet union and the United States as the two major nuclear powers became possible, other parts of the world erupted to threaten the peace of humanity.

Our major difference with the Secretary of State for External Affairs (Mr. Martin)—and we have pressed this opinion on the house many times—is that we think the time has come for a country such as Canada to be much more forthright in its public statements of policy and to be much more demanding in public that the United Nations be not destroyed by world powers such as the United States of America which, by what it does in some parts of the world is destroying the effectiveness of the United Nations. It is no longer enough, when the world is on the brink of a third world war, for our Secretary of State for External Affairs to repeat his support for the United Nations, to repeat his desire for an end to the Viet Nam war, to repeat his appeal to the Middle East states for restraint. Such expressions of view by Canada will not be listened to in the present circumstances.

• (5:00 p.m.)

I am confident that the world is now in such danger that it is possible for a country like Canada, precisely because it is not involved in the Viet Nam conflict, precisely because it is not involved in the Middle East in any direct way and precisely because it is recognized throughout the world as a country without imperial or militaristic designs, to play a more effective role. I believe that a forthright call by Canada and forthright criticisms by Canada of the actions of governments, including, if necessary, the actions of officers of the United Nations itself, would help to arouse the kind of world opinion and the kind of unification of the people of the world which alone can stop the obvious drift toward a third world war. I cannot see any hope in the policy which is being pursued if the pressure

on governments in Washington, in Hanoi, in Cairo and elsewhere does not come from an insistent, loud and determined voice throughout the world. We in this party think Canada is in a position to add to the effectiveness of that voice precisely for the reasons which the Secretary of State for External Affairs mentioned.

This is our major point of difference with regard to Viet Nam and other situations in the world. I am not saying this to be unkind to the Secretary of State for External Affairs—I will be guilty of making many trite statements myself—but it simply is not enough today to repeat unavoidably trite declarations about support for the United Nations and the like. I will illustrate to some extent what I mean as I deal with the situation in the Middle East.

The Prime Minister said yesterday—I had the pleasure of hearing him say this at a luncheon and I believe he has expressed the same sentiment on other occasions—that in his view and in the view of the government, Israel had shown a will to live and, like its neighbours, has a right to live in peace. The fact is that the neighbours of Israel deny Israel the right to live; they refuse to recognize that Israel has any right to continue to exist.

That is not an overstatement; I am sure the Prime Minister will agree that I have stated the position correctly. The difficulties in which we now find ourselves flow from the determination of the neighbours of Israel that Israel shall not continue to live. If the Prime Minister meant what he said—and I am confident he did—I say it is not enough for the Secretary of State for External Affairs to state in his speech, as he did if I heard him correctly, that we intend to maintain our impartiality or our neutrality, whatever the word was. He cannot have it both ways. This is precisely what blunts the influence of this country. If, as the Prime Minister stated it, it is the government's policy that Israel has the right to live and to live in peace, then the Secretary of State for External Affairs cannot be impartial or neutral in the present situation and his attempts to be so belie the statement which was made by the head of his government and help to muddy the waters in the Middle East and throughout the world.

Let me remind this house that the United Nations is responsible for the establishment of the state of Israel and therefore, in my submission, has a duty in the present circumstances of going beyond mere peace keeping arrangements. It was the United Nations which by resolution toward the end of 1947 established the state of Israel. It is true that the following year there was a war in the Middle East which changed some of the arrangements which the United Nations had set out. None the less, the state of Israel, the idea of the state of Israel, was established by the United Nations. I therefore suggest that if the United Nations as a world institution is to preserve credibility—that is now the popular word—in the minds of people throughout the world, then having established a state it has responsibility for making as sure as it can that the state so established will continue to live.

I was in Israel recently, Mr. Speaker; I came back some four of five weeks ago. I travelled through that little country from north to south, from west to east. I do not want to make any comparison between conditions in Israel and conditions in neighbouring states because I have not been to the other Middle East states. But everyone who has visited Israel has been impressed by the considerable economic and social progress which has been made in that country, progress which is almost miraculous for a small nation of two and a half million people to have achieved. This is particularly so when one realizes that it started with a Jewish population of some six or seven hundred thousand and now has a Jewish population of over two million. In other words, in the course of 17 years the population has trebled or quadrupled. Moreover, it is made up of people from all parts of the world, not only from Europe but from parts of Africa and parts of Asia. The country to which they came was confronted by all the difficulty of integrating hundreds of thousands of immigrants who differed in some cases even in the colour of their skins and who certainly differed in their educational levels, their cultural levels, their social backgrounds, their political attitudes and the extent of their modern industrial know-how. The fact that in spite of these formidable difficulties Israel has achieved a considerable degree of social and economic development has been a cause of admiration among people in many parts of the world. And this development has been achieved despite the fact that a large part of the nation's budget is unfortunately but necessarily spent on defence.

I mention this for the reason I have already given, that it was the United Nations which established the state of Israel, and the Prime Minister having stated in recent days that

Israel has the right, together with its neighbours, to live in peace, there is therefore a special obligation upon the UN in view of the accomplishments of that country, in view of the fact that the state of Israel has not disappointed the world or abused the confidence which was placed in it. In these circumstances both the United Nations and Canada as a member of that institution have duties greater than merely hoping restraint will be shown.

Let me illustrate more definitely what I am suggesting—I hope not without some validity, and certainly with a full sense of responsibility. I find it impossible to understand the Secretary General's haste in withdrawing the United Nations emergency force. Earlier today I asked the Secretary of State for External Affairs during the orders of the day to give us the reasons which motivated this course of action. The hon. gentleman was very frank and full in his answers and I thank him for this.

• (5:10 p.m.)

But the most important implications created for Canada and other nations by Mr. U Thant's action is that he has set a most dangerous precedent for peace keeping. By his action, no matter how honestly and sincerely taken, he has weakened the potential usefulness of peace keeping undertakings by the United Nations. If, the moment a host country demands that such a force be withdrawn, the Secretary General of the United Nations acts without going either to the assembly of the United Nations or to the security council, if he acts on his own authority at the mere request of a host country then, Mr. Speaker, it seems to me that the whole notion of peace keeping is endangered beyond exaggeration. Time and time again we will be in the same position where a United Nations peace keeping force will necessarily be stationed on someone's territory and will necessarily have to be stationed there with that government's consent. Thus the precedent which the Secretary General has established seems to me to be dangerous not only in the present situation in the Middle East but dangerous for future peace keeping in the world.

Therefore in my estimation this government and the Secretary of State for External Affairs would have been justified, and would have served the cause of peace better, if they had concretely and forthrightly criticized the Secretary General for taking that step and demanded an immediate meeting of the security council on the subject, not merely, I repeat, because of the danger it represented in the Middle East but perhaps in the long run and more important because of the fact that his action undermined—I do not think that word is too strong—the potential usefulness of peace keeping in the future.

Of course I and my colleagues join with the Secretary of State for External Affairs in hoping that the visit of the Secretary General of the United Nations to Cairo will enable him to go to other capitals and that that visit result in an easing of the present situation. From my visit to Israel I do not see how it is possible for the state of Israel to accept the blockade of the Gulf of Aqaba and the blockade of the port of Eilath which represent its only means of carrying on trade with the Far East and its only access to oil. I simply do not see how the government of that country can sit by and accept the blockade of the Gulf of Aqaba, for the reasons I have given. Therefore, Mr. Speaker, I suggest that the Secretary of State for External Affairs should continue to demand a meeting of the security council, as apparently he has done, so that something concrete may be done to avoid the war which is clearly at our doorstep in the Middle East.

I agree with the right hon. gentleman, the Leader of the Opposition (Mr. Diefenbaker) when he states, if I understood him correctly, that the Middle East situation is the direct result of the situation in Viet Nam. I think he is right because when the United States has acted the way it has acted in Viet Nam it opened the door for similar action by countries like Egypt and made it impossible for the United States to carry out the role which it might otherwise have wanted to carry out. At least it made it very difficult for the United States to carry out the role of honouring the undertaking—I think it was in 1948—that the borders of the various countries in the Middle East must be protected, and difficult to carry out the convention that international waters like the Gulf of Aqaba must be available to all innocent shipping.

I say this because I can almost hear President Nasser and spokesmen for the Arab states saying to President Johnson, "Who are you to teach us international morality? Who are you to tell us what we may or may not do in terms of international law? Where has your consideration of these questions been when you decided to bomb North Viet Nam, and more recently to invade the demilitarized zone?"

For many years now we have been the only party in Canada which has criticized American policy in Viet Nam and has criticized the government of Canada for not forthrightly and publicly condemning that policy in the hope that Canada's condemnation might persuade Washington to change it. The right hon. gentleman, the Leader of the Opposition, quoted a speech made some years ago by the Secretary of State for External Affairs in which he agreed with the American analysis of why the United States must be in Viet Nam. This is where we got into difficulty when he and other spokesmen for the government some years ago agreed with the analysis and the reasons which the Americans adopted for going in to Viet Nam.

On many occasions we have pointed out that it is far too simplistic, and indeed probably false, to suggest that the situation in Viet Nam is merely one of aggression, even though no one with his senses has denied or failed to see the communist intentions and the communist subversion in South Viet Nam. We have emphasized in many debates in this house and outside it that it is necessary to appreciate and to realize that a major factor in the Viet Nam situation is civil disagreement and a civil war between two sections of Viet Nam. Indeed in his speech today the minister said—I hope I heard him correctly because my notes are very brief, and I hope I do not misrepresent him—that the government of Canada is persuaded that the situation in Viet Nam is not a military one, that it is a political one. The minister went on to say that what we were concerned with was the future political arrangements between the two parts of Viet Nam and between the people of Viet Nam. The minister nods his head that I am representing him accurately.

If that is the case, and it is the case, what right has any big power to be in that situation? Who is to decide the future political arrangements between North and South Viet Nam and among the people of Viet Nam if it is not the people of Viet Nam themselves? If the minister says to me in reply that that is exactly what he wants, and that the policy is to create a situation in Viet Nam where the people of South Viet Nam would be free to make a decision without subversion and without interference from outside. I have no quarrel with him. But that does not require the bombing of North Viet Nam. That does not require the invasion of the demilitarized zone. That does not require the constant and incessant escalation of the war by the United States.

Mr. Martin (Essex East): Or by both sides.

Mr. Lewis: The minister says "or by both sides." I was going to say this later but I will say it now. Every time he is asked this question the Prime Minister says "both sides," but the fact is—and let us not run away from the fact simply because it happens to relate to a country whose régime we do not like and that no one else in this house likes—that Hanoi has not bombarded any place in any other country. Let us not forget that Hanoi's activities have been limited to Viet Nam. The bombing of Hanoi, the bombing of North Viet Nam has been an act undertaken by a powerful country separated from Viet Nam by a huge ocean. We suggest, Mr. Speaker, that we ought to recognize these facts.

• (5:20 p.m.)

May I quote first a very recent editorial from the *Globe and Mail* of May 20. It says:

> It has long been clear that the war is neither a clear cut case of aggression from the North, nor a purely civil conflict within the South.

It goes on to say:

> What really matters is that the world's mightiest power has massively intervened in a war between different Vietnamese forces, whether or not they are considered to be feuding factions within a single nation, or two sovereign governments. It is this intervention which has magnified the conflict out of all reasonable proportions and has raised the awesome prospect of a much wider war.

This has more recently been made infinitely worse by the invasion of the demilitarized zone. If I am told that certain spokesmen for the United States have assured us they will not go beyond the three miles, I think it is, south of parallel 17, perhaps they will forgive me if I look at this statement with a jaundiced eye because I recall that only two, three or four weeks ago the same United States spokesmen or others promised most emphatically that they would not enter the demilitarized zone. That promise has now been broken. The logic of these escalations is that they cannot be brought to an end. If you go one step, almost inevitably you must take the next step or admit defeat which you were not prepared to admit in the first place and which no one is asking the United States to admit. In fact, the greater the escalation, the greater the involvement, the more difficult it will be for the United States and the others to extricate themselves.

What we have been urging is that the government publicly declare itself in favour of those policies advocated by the President of the Privy Council (Mr. Gordon) about whom I should like to say a few words later and who I notice has now left the house.

An hon. Member: He is your man now. Is he running your party?

Mr. Lewis: He is not our man and is not running our party. I may succeed later in enlightening the hon. member, but I am not sure. I know the President of the Privy Council had good reason for leaving, but we have been pressing for two or three years that the government follow precisely the policy he enunciated in his recent speech. The Secretary of State for External Affairs suggests that we are asking him to betray confidences. No one is doing that. I think every member of this house appreciates that there are some discussions which he, members of his department or envoys have had with other governments which he cannot disclose. No one expects him to do this.

I believe all of us wish that from time to time the minister's answers were a little less clothed in incomprehensible verbiage and that his circumlocutions were a little less "circum" and a little more "locution". No one, however, expects him to betray confidences. Personally I think I would appreciate it much more if the minister simply said, "I cannot answer the question; I am not in a position to give you the information". We would respect him as a responsible minister if he told us that he does not feel free to speak about certain things which take place in the realm of international diplomacy. If some of us occasionally twit the minister, it is done in good humour having regard for the very high, almost Falstaffian Shakespearean comedy in which he engages.

Mr. Martin (Essex East): I cannot take these compliments.

Mr. Lewis: Having watched the minister in the house I know he can take compliments, insults or almost anything with the same equanimity. No one has asked him to betray confidences. He says that if they do not state publicly what they think on every point it is not because they do not care about it.

What we have been urging, Mr. Speaker, and the position I am trying to put today as best I can, is that the world situation is so dangerous that it can be saved only by rallying world opinion, by rallying all the smaller countries and states in the world in some united action at the United Nations and in a united demand to the United Nations. We believe that Canada is the right country to do it and that Canada will not and cannot do it if the minister refuses to state publicly what he suggests he may have stated privately.

Mr. Martin (Essex East): Will my hon. friend excuse me if I leave for a few minutes?

Mr. Lewis: It is very good of the minister to ask my permission. I could not withhold it, but I appreciate his courtesy. He asked whether, if he had said publicly what he wanted to—I suppose that is what he meant —he could maintain any credibility in Washington. I say, as I and other members of my party have said before, that if the price of being listened to by Washington is acting like a dumb satellite, or if the price of being admitted into offices in Washington is to give up the right to speak with a conscience about matters which shake the world, then I am not at all sure that having access to the offices in Washington is of much value.

The following appeared in an editorial in the *Globe and Mail* of April 4 last:

> If Mr. Pearson still thinks that Canada can have some influence on President Lyndon Johnson by refraining from public criticism of his policies, there is scant evidence to support him. Nor is it easy to envisage that his woolly words at Santa Barbara—both in his speech and at a press conference—are likely to persuade Mr. Johnson and his advisers that they should abandon efforts for a military victory in Viet Nam.

I believe the basis for our friendship with the United States is stronger than the government suggests it is. If it is not that strong, then I have great fear for such a friendship. A real friendship between independent nations ought to be able to last beyond the point where one of them says something in criticism of the other. This has been the case in other matters such as the question of the guide lines or some other things about which there have been differences. This has held true.

I do not for one moment accept the proposition that if this government, and through the government this entire parliament, said publicly, clearly and forthrightly, not necessarily in unkind or bitter terms, that Canada requests the United States government to stop bombing North Viet Nam and stop invading the demilitarized zone as a first step in negotiations for peace, our friendship with the United States would be hurt or that the doors to Washington offices would be closed.

This is the reason I welcomed the speech of the President of the Privy Council. I welcomed it not merely because it is support for a policy which our party alone has been proclaiming in Canada for three or four years but because of the basis on which the President of the Privy Council put it. He put it on a basis of personal conscience. He said, and I should like to refer to two or three parts of his speech:

> Whatever the reasons I believe all of us have a duty to record our concern—our growing horror if you will—over what is going on in Viet Nam. If the present policy ends in disaster—the extermination of millions of unfortunate Vietnamese, or possibly global war—our failure to speak out against what is happening will always remain on our consciences—if by chance we happen to survive—and so it should.

● (5:30 p.m.)

Later he repeated words which suggest he felt he had to speak out as a matter of personal conscience. I have never had reason to doubt the sincerity of the President of the Privy Council, nor to doubt that he is as frequently moved as all of us are by deep feelings of conscience about matters which concern the welfare and the survival of humanity. I want to say that the President of the Privy Council will go down in history as the rebel who refused to rebel. Let me say to him in all kindness that an occasional expression of courage does not a fighter make. If he felt as deeply as he said he did, and I am sure he did, about the pressure of the horrors in Viet Nam, and that he had to speak out as he did on May 13, he ought to do so again because the situation in Viet Nam has grown worse. The escalation of the war as a result of the invasion of the demilitarized zone has progressed to a point of greater danger than ever before. The destruction which he regretted has increased, and if that was a matter of conscience on May 13 last I suggest it is an even more pressing matter of conscience now.

Mr. Churchill: Hear, hear. Let us hear from him.

Mr. Lewis: I regret very much that apparently he has accepted the ukase of the Prime Minister that members of the cabinet are not to say anything more about this issue. I cannot blame the Prime Minister in this regard because I am not one, as some hon. gentlemen seem to be, who will tell the government it must maintain cabinet solidarity while on the other hand condemning the Prime Minister for trying to do just that. I am not saying to the Prime Minister that he was wrong in laying down policies for his government and expecting members of the government to follow them. But I am more than surprised—I am shocked—that the gentleman who spoke so deeply from conscience, on an issue so important as Viet Nam, pays the price of silence ever after in order to remain a member of the cabinet. That is what is shocking to me, not the fact that cabinet solidarity is desirable, because that is a matter which is crucial to our form of government.

If the President of the Privy Council makes just that one speech of May 13 and then accepts the proposition that nothing more is to be said, I think he will have misled the Canadian people. If he was right in that speech about the things he said regarding American policy, if he was right about this determination that men of conscience ought to speak out, and if he was right in calling upon the Prime Minister and the Secretary of State for External Affairs to do so, as he does in one part of his speech—in my opinion he was never more right in his public life—it seems to me he has a duty to the people of Canada to continue to support the kind of policy he began to enunciate on May 13.

It is not my purpose in saying this to make a personal attack, although the criticism was inevitable. I am convinced that if men like him were to join this crusade, as he did in his one speech, for a new policy for Canada toward Viet Nam, the results both in Canada and in Washington might be considerably better. Apparently he will not do so again, so far as I have heard, and that is his decision and a matter for his conscience. He will have to reconcile one expression of conscience with another expression of conscience.

We agree with Professor Kenneth Galbraith, that the conflict now in Asia is an unnecessary one arising from a stereotyped anti-Communism out of the cold war era. In our view Canada ought to demand publicly a cessation of bombing and other things relating to it. Let me remind the house that the right hon. Leader of the Opposition also supported this view. Therefore he ought not to be upset by our subamendment.

For all these reasons I move:

> That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:
>
> "and in particular this house regrets that the government has failed to do everything in its power to press the United States to stop the bombing of North Viet Nam, as a necessary preliminary to negotiations to end the war in Viet Nam.

Let me point out that the first part of the subamendment, the part ending with the

comma, is taken word for word from the admirable speech made on May 13 by the President of the Privy Council requesting the stopping of the bombing by the United States.

I think my time is about up and I want to conclude by repeating the general suggestions I made at the outset.

Mr. Martin (Essex East): May I ask my hon. friend a question?

Mr. Lewis: Provided it is not taken as my last word, yes.

Mr. Martin (Essex East): Would my hon. friend consider adding to his amendment a reference to the stopping of infiltration from the north to the south? Would he agree to that?

Mr. Lewis: Is the minister suggesting that if we agree to that he would support it?

Mr. Martin (Essex East): I just want to know whether my hon. friend would agree to it.

Mr. Lewis: Even though I have not been in this house as long as my hon. friend—

Mr. Martin (Essex East): My question is a very serious one.

Mr. Lewis: I want to give a serious answer. Even though I have not been in this house anywhere near as long as the Secretary of State for External Affairs, he cannot catch me in that way. Let me say without hesitation that any possible settlement in Viet Nam will require that Hanoi stop infiltrating the south. The New Democratic party clearly condemns Hanoi for its refusal at various points to take steps that might assist negotiations for peace, as we do Washington.

Let me paraphrase what the Secretary General of the United Nations, Senator Clark and many others have said, and this is why our amendment is worded as it is. The cessation of the bombing of North Viet Nam is an indispensable condition to the commencement of negotiations toward peace. Senator Clark also said that the United States, being the powerful country in the situation, can afford to take the risk involved in this regard without hurting its eventual position in southeast Asia. That is the basic difference between the United States and Hanoi. That is the only reason why our subamendment refers to American bombing and not to the other part to which the Secretary of State for External Affairs referred.

I said, Mr. Speaker, that I wanted to conclude, and it will not take me half a minute, with the general idea that I suggested when I began my remarks, namely, that the world situation is so dangerous and so serious that the time for quiet diplomacy has gone. The time has come for forthright precise statements by the government of a country like Canada. The time has come for a country like Canada, because it is not involved in these various conflicts throughout the world, because it does have the respect and confidence of many of the new nations of the world, to give a positive and concrete lead, to criticize where criticism is necessary, whether it is Washington or Hanoi or indeed the Secretary General of the United Nations himself.

• (5:40 p.m.)

Mr. Martin (Essex East): Mr. Speaker, my hon. friend has been very kind. May I ask him another question? Would he explain why the government of Britain, which shares my hon. friend's political philosophy, follows precisely the course followed by the government of Canada?

Mr. Lewis: May I say first that even though many members of that government are, as one would expect, personal friends of members of my party, we disagree with Mr. Wilson's policy in regard to Viet Nam. We disagree very strongly with it, and some of us have had occasion to say to him privately and to others of his government that we disagree with that policy. I do not know what the reason is for the policy of the government of Great Britain. I know that Great Britain is in unfortunate financial and economic situations which require help and sympathy from President Johnson.

Some hon. Members: Oh, oh.

Mr. Lewis: I know that Great Britain has other commitments elsewhere. Some of these things may have something to do with it. But I cannot tell you precisely what the reasons are for the British government's position.

Mr. Martin (Essex East): I can tell my hon. friend that those are not the reasons.

Mr. Lewis: I can tell you quite clearly, Mr. Speaker, that we do not agree with the government of Britain even though we admire and agree with the Labour party of Britain in many other respects. That is part of the democratic process, is it not? We do not have to agree with them on every issue, any more

than the Secretary of State for External Affairs has to agree with Washington on every issue—

Mr. Martin (Essex East): And we do not.

Mr. Churchill: Or with the President of the Privy Council.

Mr. Lewis: —or with the President of the Privy Council. So I do not think we can be faulted in this respect. I end, Mr. Speaker, by asking the Secretary of State for External Affairs, the Prime Minister and the government to consider seriously that the time has come for Canada to speak out publicly on all these issues in a much more forthright way in the hope that it will help to solidify the opinions of many nations in the world and that it will help to mobilize world opinion in the direction of peace.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I should like to begin by referring briefly to the amendment and the subamendment that have been moved this afternoon, particularly that part which says that the government has failed to state the policies of our country with clarity, without uncertainty, and unequivocally, with regard to Asia. It would seem to me that the government has, as the minister has stated again this afternoon, repeatedly declared its position in this respect. The only problem is that it would seem that we have in Canada today the first psychedelic government in our history. Important members of it seem to have the ability every so often to detach themselves from the rest of the government and its policies and to look back, as it were, to the body they have left temporarily and from that high position, which is usually characterized as a high moral position, to criticize the action or lack of action of the government. Ordinarily the trip that such a member had taken would result in the Prime Minister (Mr. Pearson) the next day ejecting him completely from the government but the situation here is different and these people are able to return to the government. It would seem that one of the important differences between defection in communist countries and in Canada is that in a communist country when someone important defects they head to the United States but in Canada when someone important defects they go into the cabinet.

As to the topic that is being debated this afternoon, namely, external affairs, it seems to me that we are in a way reaping some of the price of the settlement of the 1956 Suez crisis in what has now happened in the Middle East. We can contrast the stand that was taken at that time by the Canadian government, when it dared to criticize Great Britain and France in a most forthright manner, with the very delicate, kid glove approach that was announced by the minister in his statement today when it comes to dealing with the United Arab Republic and its relations with the state of Israel, a state that is a creation of the United Nations, to which organization we belong, and to which we gave our assent at the time that nation was created.

There was no delicacy in 1956 in telling Britain that its position was wrong and was completely unacceptable to Canada. There seems to be a great hesitancy to speak out today on the actions of the United Arab Republic particularly and the renewed crisis over Israel. This has not come about within the last few days; it has for a long time been a developing situation. Our government has failed to speak out at any time with any definiteness on the Egyptian intervention in the state of Yemen, Arabia. This has been an important intervention, an armed intervention, a military intervention, and yet there has been a strange silence from Canada in regard to it. I suppose it is to be assumed that because that corner of the Arabian peninsula is so far way, so isolated, so little known to Canadians, so completely out of the minds of the N.D.P. that there has never been a statement from that party on it, the Liberal government never felt it had to counter it and what went on there could be safely ignored by the Canadian government.

There seems to have been no statement made in the United Nations and certainly I have not heard, and I am sure no other member of this house has heard, of the Canadian government through its representation on the International Monetary Fund objecting to the loans from that body to the United Arab Republic to the extent of at least $108 million, which I am sure have helped it to finance the military intervention in Yemen and now the military build-up on the borders of Israel. There has been a strange silence in this respect as there was a Canadian silence some years ago when the territory of West Irian was handed over to Indonesia. The silence in both these cases comes about as a result of the fact that we in Canada have for a long time operated something of a double standard in external affairs. We have tried manfully over the years to prove that we are the only

friend the Afro-Asian bloc has and so we have kept our silence in areas where we should have spoken out.

I would contend that the external affairs policies of the government have not been so much misguided, have not grown from any lack of idealism on the part of members of the government, but have been simply out of date and unrealistic. I know I have support in that statement. It was voiced very recently in the *Globe and Mail* by Thomas A. Hockin in two important articles which dealt with Canadian foreign policy. This is what he said:

• (5:50 p.m.)

It would be unfair to say that our foreign policy-makers have been wilfully trying to escape from reality. What is probably closer to the truth is that these policy-makers are not aware of the extent to which they are escaping.

The proof of this flight from reality is becoming clear. Our tendency to put organizational viability before purposes of organizations, our penchant to put ambiguity and peace keeping in the place of clear declaratory policy, our naive faith in the magic of negotiations, flow genuinely from our domestic experience.

Certainly we have been too concerned about the viability of organizations before considering their purposes because we know that when the policies of the United Arab Republic with regard to its neighbour in Aden were criticized in a UN committee a few weeks ago, that committee refused to criticize the United Arab Republic on the grounds that it could safely criticize colonial powers but could not criticize nations that were not regarded as colonial powers. This has seemed to be the policy of the government of Canada as well, at least if we compare what happened in 1956 with what is happening today.

Certainly a great deal has been said by the government about our policies in Viet Nam. We have heard over and over again about the importance of our negotiator there, Mr. Chester Ronning. I am convinced that our actions there and his work were seriously sabotaged by the Canadian efforts a few months ago to have communist China brought into the United Nations, an action that I am sure was the poorest timed initiative that any Canadian government has ever taken in the field of external affairs. I am sure other nations which have a better grasp of the reality of politics in Asia wondered how, at the same time as we were endeavouring to negotiate peace in Viet Nam, we could make efforts to bring communist China into the United Nations just prior to the outbreak of the red guard activities in that country, activities which have been a source of such turbulence within the nation itself, have had reverberations now in the British crown colony of Hong Kong and previously in the Portuguese colony of Macao. These outbreaks have also had an impact outside the borders of communist China.

When the hon. member for York South (Mr. Lewis) inquired whether North Viet Nam has bombed any other country in the world, I am sure he oversimplified the situation because the question is not really what North Viet Nam has done any more than it is what South Viet Nam has done. The question is whether the communist powers have interfered in lands outside their borders. I would suspect that the United States has learned one thing since 1956, when as well as the Suez crisis we had the Hungarian crisis, and that is that there is no part of this earth that can be safely abandoned to the tyranny of communism. I feel that the government has been too much influenced by the type of pamphlets and briefs which drop like rain on the desks of members of parliament and which seem to coincide so happily with the policies stated in the house today by the hon. member for York South. We had a wonderful example of that in a pamphlet which arrived yesterday called "Viet Nam: The Logic Of Withdrawal" by Howard Zinn. I quote one statement from it to indicate the type of logic it contains:

But surely we have learned by now that the roots of communist success everywhere are indigenous rather than external; that communism is primarily an ideological force where naziism was a military one.

It would be difficult to tell the people of Hungary and Poland that what they faced in 1956 was primarily ideological and not a military force.

This is the problem which the United States has been facing in Viet Nam where there has been a threat of one more takeover by the communist régime of one more part of the world.

We have officially approved the policies of the government when it has endeavoured to bring about peace in Viet Nam and has refused to criticize the actions of the United States, if one can forget the statements that were made by the President of the Privy Council (Mr. Gordon). But we are concerned about the failure of the government to speak out with precision and make a definite statement as to Canada's position in the Middle East, because this is a most dangerous situation. It is the one part of the world which could take away the headlines from southeast Asia and divert our attention for a while. If we are going to

make a contribution to world peace I think we will have to forget this business of guiding the Afro-Asian bloc in the United Nations and stand squarely for world peace and for the sovereignty of nations in the world today. If we waffle along and try to pretend still that there is something to be gained from this policy, then we will be back on the slippery road which, I am sure, has produced a feeling of cynicism throughout the world toward the external affairs policies of Canada because nothing has been gained from those policies.

We know that the peoples of Africa are not united and that some of them are even beginning to find that their best friend is the Union of South Africa. We know that the nations of Asia are not united, as exemplified by the quarrel between India and Pakistan. There have been Asian nations which have almost allied themselves with either the communist government of the Soviet union or with the communist government of red China. There is no advantage to be gained in pretending somehow to speak for that diverse group of nations, and the time has come for us to speak out on the situation in the Middle East.

Mr. Deputy Speaker: Order. The Chair is considering the subamendment moved by the hon. member for York South and will put it to the house later.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Kootenay West (Mr. Herridge), External Affairs—Sale to U.S. of arms for use in Viet Nam; the hon. member for Rimouski (Mr. LeBlanc), Public Works —Pointe Michel, Quebec—inquiry as to construction of wharf; the hon. member for Winnipeg North Centre (Mr. Knowles), Air Transport—request for ban on use of highly inflammable fuel.

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. Sharp for committee of supply, and the amendment of Mr. Diefenbaker, and the amendment to the amendment of Mr. Lewis.

[Mr. Johnston.]

EXTERNAL AFFAIRS—FOREIGN POLICY

Mr. Deputy Speaker: Order. Perhaps before the hon. member for Okanagan-Revelstoke (Mr. Johnston) continues his remarks he might let me read the subamendment which was moved by the hon. member for York South (Mr. Lewis). First of all, I want to thank the members of the house for giving me the opportunity of considering this subamendment over the dinner hour.

The subamendment reads as follows. It was moved by the hon. member for York South, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

> That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words: "and in particular this house regrets that the government has failed to do everything in its power to press the United States to stop the bombing of North Viet Nam, as a necessary preliminary to negotiations to end the war in Viet Nam".

The Chair has had an opportunity, as I said before, to consider the subamendment. While there are some reservations in the mind of the Chair, perhaps they are not particularly serious, and in view of the debate which is now taking place the Chair has decided to accept the subamendment.

Mr. Johnston: Mr. Speaker, my concluding remarks will be very brief indeed. Wonder and surprise has been expressed in this debate that the Secretary General of the United Nations should have withdrawn the United Naitons peace keeping force so swiftly on application to do so from the United Arab Republic. But this does follow fairly logically. If the United Arab Republic only a few weeks ago was above criticism by the United Nations, or a committee of the United Nations, then it would follow that their wishes would be respected immediately by that organization when they came to demand that the peace keeping force be withdrawn.

I would suggest that the time has come for the United Nations, indeed all nations that are interested in maintaining peace in the world, to speak out. In addition, no nation, whether it be the United Arab Republic or any of the Arab states, a communist nation or indeed the United States itself, can be above criticism in today's world.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I think there is one thing on which all of us in

this house are agreed, and that is that we are very much concerned about the numerous threats to world peace that are appearing in various areas of the globe. I also think we are all agreed that we in this house would like to see these threats removed by peaceful negotiation and settlement. Where we differ perhaps in some degree is in the best means of attaining this end.

I think it is quite safe to say that Canadians generally are very disturbed about these threats to peace which are being made throughout the world—in Viet Nam, in the Middle East, in Hong Kong and other places. People are disturbed because there is uncertainty, and there is nothing that disturbs people more in this world than uncertainty. People in Canada are disturbed about the objectives in Viet Nam of our closest friend and ally, the United States. People are very worried indeed about this. There is also uncertainty about what is intended by the Chinese in Hong Kong. We are uncertain as to what is intended by President Nasser in the Middle East.

Unfortunately, Mr. Speaker, I think these uncertainties are to some degree caused by the position taken by the government. As suggested in the amendment moved by the Leader of the Opposition (Mr. Diefenbaker), the government has not explained its position. It has not forcefully stated the reasons for its policy or, indeed, what the policy is.

• (8:10 p.m.)

The government's difficulties in this regard have been compounded by parliamentary agencies such as the C.B.C. The right hon. Leader of the Opposition has noted that that organization has been running a steady propaganda campaign against the United States for a good many years and has been distorting the views and objectives of that country. Why they do this I do not know, but that has been going on. The general impression created in this country is that the people in the United States are like demons, and that they can do nothing right under any circumstances. Never a word is mentioned when the North Vietnamese or the Viet Cong place bombs in restaurants where there are women and children; that is perfectly all right. The result has been that the public of Canada has been misled considerably by this parliamentary agency, and that has caused much trouble.

Again, had the government been more ready with information about the reasons for the position of the United States and the positions of others in Viet Nam, and if to counter adverse propaganda it had been more forceful in expressing reasons for its policy, it would not have to sit on the fence, so to speak and pussyfoot about its position.

There is something else I wish to mention before getting to the meat of my remarks, and that has to do with information. The Secretary of State for External Affairs (Mr. Martin) was vehement in objecting to observations from opposition members that the government had not been forthcoming with information about Viet Nam and other aspects of our foreign policy. His position was that the government has given out all the information it could give out. Of course this is all a matter of opinion; the minister had to decide to what degree information must be classified, and how much can be given out. I know that perfectly well. Yet last week, when noted members of the United States Senate and Congress were here at the annual meeting of the Canada-United States parliamentary group—there were such distinguished men as Senator Mansfield, Senator Aiken, Representative Gallagher, and Doctor Morgan who is Chairman of the house committee on armed services—we obtained more information from them on Viet Nam and China in two or three hours than we had been able to obtain here in the last couple of years. Those, men of course, may be in a better position to assess the importance of information than is our minister. I understand the minister's position; nevertheless the information we obtained was readily forthcoming and was very helpful.

The first of the two major problems concerning people in this country, as was suggested this afternoon by the right hon. Leader of the Opposition, is the Middle East. Perhaps the present situation, where the President of the United Arab Republic is pressing his demands on Israel, has flared up, or been prompted, because the United States is somewhat tied up in Viet Nam. President Nasser may have thought that this was the appropriate moment to press his demands. Also I cannot help feeling that the president of the U.A.R. may have been influenced by the presence of a certain gentleman who is well known to some members of this house and who is now active in Middle East and Near East politics—Doctor Shukari. He was for a long time at the United Nations, and he is a very dangerous and influential man. Knowing something of his character I have a feeling that he may have had some hand in

what is happening in the Near East; however, that remains to be seen.

The situation in the Near East is hard to analyse. It seems strange, that, had President Nasser really meant to attack Israel, he would not have gone to war without talking about it so much. Surely he would have invaded Israel and said nothing, had he really meant war, because in these days if you want to go to war, you surprise the enemy. Because there has been much sabre rattling during the last two or three days, gives credence to the belief that President Nasser is working at some sort of negotiating lever. On the other hand his threats may be genuine. Only time will tell.

I can suggest one thing to the minister: Canada is held in a great deal of respect in the United Arab Republic. It is safe to say that Canada is very highly thought of in that part of the world. I know that from experience, having dealt with the U.A.R., and I am sure that the minister has found the same thing.

I remember a little incident that took place a few years ago when Arab students were studying in the Soviet union. President Nasser found that they were receiving more propaganda than technical training, and withdrew them from that country. Canada offered to take these students, thus making a contribution to the United Arab Republic. I could mention numerous other incidents, at the United Nations and elsewhere, to illustrate my point.

In view of the esteem in which Canada is held in the U.A.R.—and we are almost equally well received in Israel—I suggest that Canada might quietly offer the good offices and services of some prominent Canadian, perhaps that might be the minister himself, to try to bring about some settlement in the dispute. I do not know whether that would be successful, but as the minister suggested, Canada should try to do these things. Over the years Canada has taken a leading part in activities such as this, and I think we should attempt something of that sort now. If our efforts do not succeed, nobody will be the loser. Yet there is a reasonable chance that by offering to use our good offices in this situation our offer might be accepted. In any event, I think we should try.

The right hon. Leader of the Opposition spoke at some length about the apparent folly of the government's policy of unifying the armed forces. Many of us sitting on this side warned the government during the debate of the great danger of putting all our eggs in one basket. We said that our forces should not be designed purely for United Nations peace keeping roles. We hope that the United Nations will recover from this present setback, and that it will increase its peace keeping activities in the future; yet the situation demonstrates, as the right hon. Leader of the Opposition said, how unwise the government was in unifying the armed services and in designing them for the undoubted purpose of being useful only as United Nations peace keeping forces. I think the government ought to have been much surer of what would happen in the UN before it unified its forces.

I have one other observation about the Middle East, and this concerns the activities of the Secretary General of the United Nations. He of course is the United Nations senior administrative officer, and it is his duty and job to carry out the resolutions passed by the Security Council and the General Assembly. Granted, many UN resolutions are somewhat vague and subject to certain conditions, but I feel that in this instance, before summarily dismissing the UNEF, the Secretary General ought to have consulted the Security Council. I think what he did went beyond what he has discretion to do. He may have had some colour of right for his actions, but I think he went beyond proper discretion in the use of his office.

• (8:20 p.m.)

It may be said that perhaps it would have been dangerous to call a meeting of the Security Council to discuss this issue before there had been prior consultation. The Secretary General is now in Cairo, I understand, trying to work out some agreement in connection with this matter. But I think he might well have gone to Cairo to see what he could do before he summarily dismissed the peace keeping force. Then, if his efforts proved unsuccessful, he could have referred the question to the Security Council. I have known the Secretary General for many years and I have great respect for him. Nevertheless in this case I think his judgment erred, though I hope of course that his present efforts are successful.

I turn, now, to the problem in Asia, which I call the Chinese problem because Viet Nam is only one facet of it. The Peking government has made its ultimate intentions clear on numerous occasions. It wishes to recover all the land lost to China in the last century—land taken from her by European countries, including Russia. She intends to recover this land, Taiwan, or Formosa, included, and she

also wishes to regain her sphere of influence in the surrounding territories of Asia including southeast Asia and particularly the part which is now North and South Viet Nam.

At the present time China appears to be a particularly difficult country with which to deal. We have all seen evidence of this. Diplomats representing countries which have been very anxious to recognize China have been dragged through the streets; their wives and children have been beaten up, put in fear of their lives and made to do all sorts of things which are degrading. Some years ago, rightly or wrongly, the United States decided that it was advisable to check Chinese expansion by entering South Viet Nam at the request of the South Viet Nam government. This request was made because a revolutionary group known as the Viet Cong, assisted and abetted by North Viet Nam by the infiltration of war materials, weapons and men, was making the task of the civilian government impossible. The attack was, in fact, similar to the attack made on south Korea a few years earlier. In passing, it is worthy of note that in modern days war does not necessarily mean some formal military activity; it can equally mean subversion, infiltration and so on, varieties of modern warfare which are just as effective.

Another point is worth noting, one which is often disregarded in the press and elsewhere. The United States is not the only nation which is closely concerned in this affair. Asian and Pacific nations are just as concerned. I refer to Korea, the Philippines, Australia, New Zealand, Thailand and Japan, to mention only a few. Australia, New Zealand, the Philippines and south Korea have troops actively fighting in South Viet Nam—a fact which is often overlooked or played down for some reason. The United States is not the only country which has troops there. These other countries have forces there as well.

Recently there has been a great deal of talk about the bombing of North Viet Nam. The United States has made it clear that as long as military supplies, weapons and men continue to enter South Viet Nam from North Viet Nam it will be extremely difficult for the government of South Viet Nam to control that country effectively, and that the flow of these supplies must be stopped. It has also been made clear—and some of our United States colleagues made this clear to us the other day—that the United States recognizes that if North Viet Nam were openly invaded by United States forces there would be great danger of China actively entering the conflict.

Demands are repeatedly made that the bombing should be stopped. All of us are interested in seeing a negotiated peace. If there is a possibility that stopping the bombing in North Viet Nam would assist in bringing about these negotiations, I think we would all be in agreement. As has been suggested by the Leader of the Opposition (Mr. Diefenbaker), by the spokesman for the New Democratic party and by a great many others outside this house, stop the bombing and see what happens. Frankly, I do not see that it would make any difference. But if there is any hope of results from such a move I think it should be tried. Certainly, the bombing of Hanoi and Haiphong might well cease for a period of time to see whether the other side responds; but it must be remembered of course, that on previous occasions when bombing was stopped North Viet Nam simply profited by the occasion to deliver enormous quantities of supplies and military equipment into South Viet Nam resulting in a substantial increase of hostilities there. As an experiment it certainly might be worth while to cease bombing Hanoi and that area, even at the risk of this happening again, but I certainly think that the immediate supply routes from the north to the south should not be given this immunity unless some undertaking is received to stop the flow of supplies.

One interesting suggestion has been made—and I am led to understand it is presently in process of being carried out. It is that in order to stop effectively the flow of military supplies from North to South Viet Nam a wall be built across the country between the north and south, and extended through Laos. This would of course be a very expensive project. The idea, as I understand it, would be to build some sort of wall or fence which would be cleared of vegetation on both sides and which would effectively prevent infiltration. It must be extended through Laos—otherwise it would be like the old Maginot Line which was not extended across the Belgian frontier, and was not therefore very effective.

If such a wall or fence were completed in the near future it would of course greatly reduce the necessity for any bombing or active hostilities in North Viet Nam itself. It would seal off the flow of military supplies from the north and enable the government of South Viet Nam to look after its own territory without having to worry about the further

infiltration of men and war material. There is one thing that was brought very forcibly to the attention of those members of the house who were members of the U.S.-Canada parliamentary group. All members of the United States delegation seemed concerned about this. It is something that we have all heard of elsewhere, and it is something that should be noted.

• (8:30 p.m.)

A great worry of many members of the United States congress is not so much the peace movements and the influence of the peace movements in the United States —because these, we are informed, are the concern of a relatively minute group, a very small group in the United States—but rather the increasing demand by the public of the United States to use nuclear weapons.

One member mentioned to me—and I do not care to mention his name because in my view that should not be done—that in one week 27 young men from his electoral district were killed. The parents of these young men said to him, not unreasonably "When you have the weapons to stop these people, why did my son have to die?" That is a pretty compelling argument; and the great worry of these members of congress seemed to be the increasing growth of this pressure in the United States to use nuclear weapons. This was the great concern and I think it should be the concern to all of us, and something we should consider in any views we express here or in any action that is to be taken.

Those of us in this party agree generally with the government's policy on North Viet Nam. I think we might try to send more medical help, particularly for civilians, children and the like. I also agree that we should certainly keep our position on the International Control Commission. It has not done anything yet to speak of, but it may in the future form a valuable potential springboard from which some sort of negotiations may come, and I think that is worth while. But I think our position in this regard on the International Control Commission, and our other positions on Viet Nam should be much better publicized to the general public. The people of Canada do not seem to be aware of our position in this regard and of why we are maintaining it. I am surprised at the minister in this regard, because he is usually diligent in communicating his views to the public. Over the years he has achieved a great deal of experience in this regard, and I think if he exercised some of this experience with the department, in making sure the public is better informed of what our position is and why, it would be very helpful, and would subject the government to less criticism.

[Mr. Nesbitt.]

We have heard a great deal about getting peace negotiations started and these must eventually take place as neither side can win the present conflict in Viet Nam. The United States and others have tried repeatedly to get North Viet Nam to the conference table, but there has always been an unequivocal No. I have heard it said that the United States has had no contact with China in this regard, but I have been assured that the United States government on numerous occasions has had direct contact with the government of Peking, and each time it tried to discuss the matter, the Peking government brought up the subject of Taiwan and said that until that was settled there could be no negotiations on anything in Asia.

A great many people have said that the United States is not serious in its peace efforts, that its peace efforts are phony and the like. I do not believe this, I do not think it is true. I believe the United States, recently at least, has made repeated efforts to try to get negotiations going. So far as I am concerned, I do not think there is any likelihood of peace negotiations at the present time or of any immediate stop to the Vietnamese war. I believe this for several reasons, the main one being that I do not think the Chinese will permit any negotiations to take place. I think Chinese interests are being served by a continuation of the war in Viet Nam.

This conflict is one of the principal items, if not the principal item, preventing further closer association between the United States and the Soviet union. In the last year at the United Nations in a number of fields, on the Security Council, in the non-proliferation treaty and elsewhere, there was an increasingly closer co-operation between the United States and the U.S.S.R. and this, of course, does not serve the present interests of the existing government in Peking. There is little doubt, because of geographical proximity and other things, that the voice of Peking in North Viet Nam must be pretty strong, and this is one of the three reasons that the Chinese government is unlikely to permit North Viet Nam to make peace at the present time.

The second reason of course is that this war is a tremendously costly war to the United States, not only in materials but in men and manpower. The more the Chinese can bleed

the United States in this war, the happier they are, and it is not costing the Chinese any manpower, despite the vast numbers they have. It is costing the lives of other people, the North Vietnamese, but it is certainly not in the interests of the Chinese to stop the cost to the United States.

My third reason for saying this is that those in this house who have had some experience of negotiating with communist countries have always found that if any communist-type country sees any likelihood whatsoever of your changing your position, even one sixteenth of an inch, they will remain absolutely adamant hoping you will change.

They do not have to answer to an electorate. In this country we think other people react like we do because we always interpret others in terms of ourselves. But in communist countries they do not have to answer to an electorate. They have one position one day, and they change it overnight—I have seen it happen—and it does not make any difference to anyone.

I think the North Vietnamese and the Chinese feel that as long as they can keep up pressure on the United States abroad, with people condemning the United States for bombing the North and the like, and keep up pressure on the United States at home through peace movements and the like, the United States government may not be forced to withdraw entirely but may be forced to moderate greatly its position in favour of the North Vietnamese. As long as they think there is the slightest likelihood of this happening, I do not see any likelihood of any serious negotiations.

• (8:40 p.m.)

The facts of life, whether one likes it or does not like it, is that, regardless of the reasons and results, the United States is in South Viet Nam and the United States simply cannot turn tail, run, and get out. Any Americans I have talked to in the last few months, regardless of their views on how the war may or may not be conducted, have been quite firm on this. The United States is not going to get out of Viet Nam. It is not going to turn tail and run, because if it did it would open up a regular Pandora's box all over the world.

The Russians and the Chinese would be encouraged to start activities in every trouble spot in Asia, South America, or anywhere else. Believe me, Mr. Speaker, the present sweetness and light that they flaunt in Europe is not because of their love of the United States. It is because of NATO and because of the increased strength of the United States and western Europe. Russian long range objectives remain, despite the fact that at present they look quite peaceful. But anywhere they can find a soft spot which they can use, they will open it up, and if the United States turned tail and ran in Viet Nam we know exactly what would happen. If you think there is trouble now, it is nothing to what there would be then.

There are one or two other things I would like to mention in concluding. The first is the strength of the views of Canadians in the world. We are a nation that I think is well respected throughout the world, and well liked, but I think we should understand that we cannot rally world opinion, as the hon. member for York South (Mr. Lewis) rather naïvely put it this afternoon.

You may try to rally all the opinion you like, but when a major power like the United States, or China, or the Soviet Union is irrevocably committed to something, it is not going to be influenced very much by what smaller countries think. All you have to do is remember what happened in Hungary. A great storm was raised throughout the world about what the Soviet union did in Hungary, but the Soviet union did not pay one iota of attention because the Russians felt their vital interests were concerned. The Americans think just as strongly about Viet Nam, and if Canada went out to rally public opinion throughout the world on this subject, I do not think it would have very much effect on the United States. You have to be realistic about this.

There is one thing I think Canada can do in this regard. It is not something we can do today or tomorrow, and perhaps not for years, because I think the present temper of the government of Peking is such that it is not now possible to deal with them. If we should send an envoy there, it is possible that he would be dragged through the streets. We cannot expect people to go there under these conditions. Undoubtedly, however, this will settle down. I believe it is quite clear that the other western nations, particularly the United States, cannot continue to have relations with a country like China, which are likely to lead to war at any time. Something must be done in an effort to normalize relations between the two countries. Because of political and other reasons I do not think it is possible for the United States to make these overtures even in the reasonably near future; nor do I

think it is likely that the Chinese would do so, because of their rather deep rooted dislike for the United States. I think there is one country which can do this, and that country is Canada.

Already Canada has made a start. The hon. member for Qu'Appelle (Mr. Hamilton) when he was minister of agriculture got this country's toe in the door by starting to sell wheat in open trade with China. Improvement of relations will take a long time; it will not be done overnight. The Chinese are a very proud people and they certainly were dealt with badly by the western nations in the last century. We must look ahead ten, 15, 20 years, or even longer into the future. I think Canada might be the country which, above all other nations, is best able to do this. The British, the French, the Germans and others, certainly the Russians, are not in the same position because of their activities in years gone by. We have had successful trade relations with China and I think, while at the present time it probably is out of the question, that just as soon as we seen an opportunity the government should do everything it can to try to get its toe a little further in the Chinese door, with the hope that it might be able to normalize relations as soon as this conveniently can be done not only on behalf of this country but on behalf of the western world.

I see that my time is up, Mr. Speaker. All I should like to say to the minister in this connection is that I think he might save himself and his government a great deal of trouble if he could be a little more forthcoming with information on important subjects such as Viet Nam and the Middle East, and give greater publicity to the reasons for the government's activity. The Canadian people are uncertain concerning our objectives and the objectives of the United States. It is this uncertainty which causes the great unease in Canada. This uncertainty is aided and abetted by the Canadian Broadcasting Corporation and some of its friends.

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, the amendment moved by the right hon. Leader of the Opposition (Mr. Diefenbaker) regrets that the government has neglected or refused to make available time to debate international problems, and regrets that the government has failed to state the policies of our country with clarity, without uncertainty, and unequivocally, with regard to Asia and the Middle East. To summarize that motion, the right hon. Leader of the Opposition asks the government to tell all, tell everything they know, and express their inner thoughts.

An hon. Member: Oh, oh.

Mr. Matheson: Well, I have heard that interjection and although it would take him a long time I think it would do my friend some good if he would read some of the rather scholarly speeches on Asia made by the Secretary of State for External Affairs (Mr. Martin). I would suggest by way of a starter that he read the series of three speeches delivered by the minister at Columbia University in the Blaustein Foundation, which lectures are being studied all over the world by students of the Far East.

The subamendment moved by the hon. member for York South (Mr. Lewis) regrets that the government has failed to do everything in its power to press the United States to stop the bombing of North Viet Nam, and so on. To summarize the subamendment, we are asked by the New Democratic party to attack or criticize the United States. So the official opposition asks the government to tell everything they know, and the New Democratic party suggests we take a good crack at the United States. It may be contended that either or both of these resolutions in effect say that the government should get off the International Control Commission and cease to use what offices it has in respect to this important dispute.

Everyone in Canada knows that the position of the Canadian forces now in the Middle East is sensitive and critical. No leader representing his country in international affairs could have been expected to do more than has been done by the Secretary of State for External Affairs even in the last few hours with regard to this very delicate situation. Certainly nobody knows better than this government how pregnant with disaster the situation in the Middle East may actually be.

What possible good would be achieved if the government were to reverse its policy of impartiality in this disturbing area where we pray, above all else, that violence will not erupt. What possible good would it do, except to make a show of ourselves as a country, if we were to attack verbally either of the parties in the far east.

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

Mr. Matheson: If there are questions, I think it would be better that they be asked at the conclusion of my comments. The hon.

member for Oxford (Mr. Nesbitt), speaking a moment ago, referred to the fact that a number of countries are involved in the complex developments in Viet Nam. Recently I obtained a copy of a study by a number of responsible people with regard to the economic, political and military developments since 1960 in Laos, Thailand, Burma, Cambodia, South Korea, Japan, Indonesia, Malaysia, the Philippines, New Zealand and Australia, all of which countries in some degree are interested very directly in a solution to the Viet Nam problem.

As the hon. member for Oxford indicated, South Korea, the Philippines, New Zealand and Australia are involved with a military commitment. I believe sincerely the quality of leadership which has come from Canada at this stage is the most hopeful there is with regard to a possible solution. May I read just a part of the evidence given by the Secretary of State for External Affairs to the House of Commons standing committee on external affairs on April 11, 1967. This was no niggardly statement. There are 18 pages of evidence; the statement is pretty exhaustive. However, the essence of it I believe is summarized pretty well at page 11 where it says:

> In response to those who have asked the government to dissociate itself from the bombing of North Viet Nam by the United States, we have made it clear that we would, indeed, like to see the bombing stopped, but that we would also like to see the infiltration stopped, and that we would like to see negotiations looking towards the peaceful solution of this conflict begun.

He went on:

> —it will continue to be the object of our diplomatic efforts to try to establish a basis on which the two sides might be brought together.

May I ask hon. members what they think could be accomplished by Canada voicing its views with regard to the merits of either side of the issue.

• (8:50 p.m.)

That, of course, means dissociation from the only body which might possibly be successful in this complex situation, namely the International Control Commission. On February 13 the Secretary of State for External Affairs urged his critics in parliament and across the country to understand the circumstances under which our foreign policy must be conducted. He said at that time that in matters of negotiation, particularly in respect of war and peace, the government should not be expected on every occasion to make disclosures which would not be in the best interests of achieving those things everyone has in mind. This seems to be what we are coming back to, because the Leader of the Opposition suggests that we should disclose everything, tell all and give complete details about our proposals, what has been said and what we have done. The Secretary of State for External Affairs has urged the efficacy of quiet diplomacy.

It was my privilege on several occasions last summer to talk to Anthony Eden, now Lord Avon, who came to Canada to honour the Brockville Rifles on the occasion of their centennial. At that time I had the opportunity to discuss Viet Nam with this renowned diplomat, who played such a very active role in Geneva in 1954. I do not think I am inaccurate or incorrect when I say that Lord Avon had nothing but praise for the energy, knowledge and resourcefulness of Canada as it contrived to bring some sort of sanity out of the lunacy in Viet Nam.

The Secretary of State for External Affairs told us that it would be self-defeating for us as Canadians to be neutral if statements were made that had the effect of slamming doors, and it is perfectly clear that doors are still open. Many people in the world wonder why it is that we are able to carry on quiet and discreet discussions at different levels with various people in opposite camps. He referred to two missions undertaken by Chester Ronning last year in this regard, and there are many others.

The Secretary of State for External Affairs indicated that the International Control Commission might not, in the end, be the instrument that would be used to promote a settlement. Perhaps there will be a third world war which will be final. Surely we can hope that this will not be the case. It is Canada's duty to be ready and able to exploit every opportunity to achieve a settlement. The Secretary of State for External Affairs said there may be a special role for us to play in the Viet Nam situation as it is now unfolding. I should like to ask who in the house is in a better position to judge that possibility than the Secretary of State for External Affairs.

Recently when I was in Asia I picked up a number of newspapers which covered the John Steinbeck reports. He said that there was a new kind of warfare in Viet Nam with no fronts and no rear. He said "It is a feeling war."

In one of his speeches, and I have forgotten which one, the Secretary of State for External Affairs referred to the complex strands of the controversy. A wise speech was delivered in Brockville by Tom Gould, who has substantial knowledge of the country from personal observation. He referred to the complexities of the war in this land that has been divided for many, many years by the natural divisions in the hills and valleys in the north and south, as well as by differences of dialect.

The most useful material I have seen in respect of Viet Nam is contained in the second lecture delivered by the Secretary of State for External Affairs to Columbia University on April 27, 1967. As I say, this was the second in a series of three lectures. This contains some useful factual information that might well be recalled.

On that occasion speaking to an international audience he said:

> The Geneva conference of 1954, which brought an end to hostilities in Viet Nam, Laos and Cambodia, was the classic case of the attempt at peaceful resolution of conflict outside the United Nations context.

In his earlier address the Secretary of State for External Affairs said, regarding the role of peacekeeper:

> If, in our judgment, the peace keeping role in any particular case should not be consistent with our conception of a just or speedy settlement or with our national interests we would not hesitate to decline or to terminate Canadian participation. If we do participate, it is because in all the circumstances we believe it to be the most appropriate and most helpful action for us to take.

The fact that Canada is committed to this job on the International Control Commission does not mean that Canadians have no feelings, knowledge, information or opinions as to the rights and wrongs of any particular dispute, be it in Kashmir, Gaza the Congo or Viet Nam. It does mean that while we take part in certain discussions by reason of international arrangement we have the good sense to play that game according to the rules, and the rules dictate that we do our job with quiet diplomacy, with all the knowledge we have and in good faith, without taking sides. As Mr. Martin said in New York:

> We have taken that action each time we have been asked to do so. Our general view has been that the UN is the most suitable international instrument to keep the peace. It may not be the best or most efficient. Regional organizations have a prior claim under the terms of the charter itself and the more disputes they can help to settle the less burdened will be the UN's agenda.

[Mr. Matheson.]

He also quoted Mr. Dag Hammarskjold's words:

> The greatest need today is to blunt the edges of conflict among the nations, not to sharpen them.

We know today that there is an organization called SEATO that has interested itself in the Viet Nam conflict. We are not identified with SEATO but we are involved with NATO, which is one of those examples of an organization which acts outside the United Nations area of co-operation. Since world war two, no one has been killed as a result of a war in which NATO forces have taken part. It has kept the European peace.

We do not want this conflict to be resolved by a decisive military victory by either side, but rather by a cessation of hostilities by both sides. Surely to ask for a cessation on one side as is suggested in the subamendment would immediately remove ourselves from any possible useful role. The Secretary of State for External Affairs, in referring to the conference in Indochina, which grew out of the Berlin conference, suggested we must remember the conflict between the big four in 1954 regarding the problems of Korea. The Korean conference was limited in membership to five great powers, the United States, the Soviet union, communist China, Britain and France and the four Indochina governments, Laos, Cambodia, Viet Nam and the democratic republic of Viet Nam.

The four permanent members of the Security Council who were involved in the Geneva conference were as deeply divided on the issues of Korea and Indochina as they were on the issues of Europe. Therefore, is it surprising really that in 1967 there is not agreement in respect of Viet Nam? What could we reasonably expect?

• (9:00 p.m.)

The Geneva conference at least achieved a cease fire and made an attempt at providing a basis for a long term political settlement. We know there were deep-rooted political and ideological differences and divisions beneath the surface, that these were fundamental to Indochina and has persisted there for countless years. In the exact words of the Secretary of State for External Affairs.

> There are many strands woven into the complex fabric of the Viet Nam tragedy.

As we all know, Canada has played many roles in the international family. It has been a loyal member of NATO. It was a member of the United Nations forces in the Korean war. It has been a participant in nearly every

peace keeping operation that has been undertaken by the United Nations. The Secretary of State for External Affairs told the Americans and his audience at Columbia who came from every country, that the problem in Viet Nam has represented the most frustrating, the most disillusioning, the most complex and the most difficult role that Canada has ever assumed in the international field. The present division of Viet Nam is not new. There was a wall separating two warring dynasties in the 17th and 18th centuries. We cannot forget this when we look at the difficulties today. The isolation of the villages of South Viet Nam from central authority is not a modern phenomenon, but simply a continuation of a problem which even the most illustrious and powerful emperors of Viet Nam were seldom if ever able to resolve.

Recently I spoke separately to four Ottawa ladies who are married to Canadians. They were all Vietnamese and had come from different parts of Viet Nam, with different ideological and social backgrounds. I realized after talking to these interesting people, who loved Canada even after the short while they had been here, how very complex this situation really is. As I read some of the studies that have been prepared by other countries, Australia, the Philippines, South Korea, Laos and Thailand, it is clear that these Asians who are intimately involved with the dispute recognize how very complex it is.

It seems passing strange that Canadians in Ottawa, Toronto, Montreal and Winnipeg think that somehow or other by a simple process of logic they can come to easy solutions in respect of problems that have not been resolved by indigenous people at least for decades. We know that Viet Nam is a country that has been occupied by the French since world war II. When the Geneva powers met in 1954 the war in Viet Nam had been in progress for eight years and it had spilled over into Laos and Cambodia. We sometimes forget this fact. It seems to me that we concentrate too much on the present and overlook some of the frightening things that have happened in Asia in recent times.

I have been told, for instance, that in Indonesia, which I think has a population of something like 110 million people, since the coup in 1965 well over 500,000 people have been killed and over 1,200,000 injured. I am not aware of any comment or concern in Canada about this situation. I remember some time ago in London having a discussion with a brigadier from Pakistan who was annoyed that Canadians had no concept of the hundreds of thousands of people who had starved in his country. There was no comment at all in Canada on this situation. I am not trying to minimize the deaths in Viet Nam. Every single death, every eye out, every child who loses an arm or is injured in any way is evidence of a shocking situation. Every death is infamous; and war is something that we all hate. Surely there is no element in this house that is more righteous than any other in this desire and concern for peace.

The difficulties in Viet Nam were not caused by the simple case of a war between France on the one side and all Vietnamese nationalists, led by the communists, on the other. It is much more complex than that. Nationalist non-communist elements within the Viet Minh were gradually denuded of power and influence or completely eliminated. The French at the same time found themselves allied with many Vietnamese who were just as determined as the Viet Minh to achieve an independent Viet Nam, but who were prepared to pursue their objective by political rather than military means and who were as least as opposed to communist control as to French colonialism.

Surely as a country we, although committed to the democratic way of life and passionately, I hope, committed to freedom, are prepared in our economic and international affairs to agree that the world is pluralistic; it consists of different systems, different ideological groupings, and I am sure we are not trying, nor do I believe the United States is trying to impose its political or economic structure, its system of government on other parts of the world.

I would commend to my hon. friend from York South (Mr. Lewis) the statement of Arthur Goldberg to the Foreign Correspondents Club in Tokyo, which was reported very carefully in the newspapers—this was during the late days of February of this year —at the beginning of his fact finding trip. He spoke for perhaps two hours, answered many questions, and many of his comments were extemporaneous and extraordinarily frank. He said very clearly to my recollection that the United States did not want to stay there, did not intend to stay in that part of the world, did not intend to occupy any country, did not intend to impose its system of government on the people; but that they, of course, were not prepared, either, to abandon their commitments to South Viet Nam under pressure of force.

The democratic republic of Viet Nam was recognized by all the countries of the communist bloc in 1954. The state of Viet Nam was recognized by more than 30 other countries. Today when we discuss the Viet Nam problem and try to do so objectively and impartially, we have to recognize how complex, as the Secretary of State for External Affairs has said, are the strands which not only complicate the matter in that peninsula but also affect neighbourhood countries.

I remember talking to Canadian boys who went to Korea. They thought they were serving the cause of peace, just as I think Canadians have believed to be the case in virtually every war. But if Korea had collapsed, what would have happened would have been a movement of communist forces toward the sea of Japan and the East China Sea. Of course, the situation in Viet Nam is altogether different. They have neighbours in Cambodia, Thailand and Laos, Burma is very close, and of course to the north there is China. I think it is clear that Canadians, by their posture, seek to be friends of the Chinese, the Russians and all those people whose views ideologically are far apart from our own. I think that is our posture, and I believe it is credible. I think it is the only way in which we can usefully serve at this moment of history.

We did not expect to be invited into the International Control Commission when the invitation was extended to India and Poland. We were invited to join the commission and we knew we were the nominee of the NATO group. We knew that Poland was the nominee of the Bandung group, and India was invited to become a member of the commission because she was ostensibly neutral. Canada could very easily have taken the position of always supporting the west. I think it is fair to say that when Canada was recommended, Communist China had envisaged a troika arrangement in which Poland would represent the interests of one of the parties, Canada would represent the interests of the other and India would have, in effect, the deciding vote.

As the Canadian representatives began to examine the problem of their responsibility I think they came to the conclusion that this was imposing an intolerable burden on the one neutral member of the commission. That is to say, if Canada always took the position of the west, as a nominee might in a labour arbitration representing either labour or capital, and left it to the third member to have the deciding vote, this would not serve any useful purpose. So Canada decided from the very beginning—and this point the Secretary of State for External Affairs made clear, and he pointed it out fearlessly to his American friends and to those in the other parts of the world, in Poland and in Russia—that we would try to avoid being a rigid advocate for the west. We are there in the commission to promote an objective and balanced approach. This is hard for some people to understand.

• (9:10 p.m.)

It is hard for any Canadian to be neutral. It seems to me that a virile and courageous people like the Canadians would find it much easier to throw in their lot willy-nilly with one particular side in a war and then get to it. But is there not something nobler, more difficult and perhaps even more heroic in doing precisely what Canada is doing at this stage, namely trying to use its good offices to effect a cease fire and even offering its troops by way of buffer? The offer has been made in the past by the Prime Minister and by the Secretary of State for External Affairs, and we know, if there has to be an occupation of a demilitarized zone, if there has to be peace keeping, and what a hazardous task that will be, who other than Canada may be called upon to assume this very difficult and costly operation?

On March 10, 1967, the Prime Minister met with a large group of university professors at Victoria College, University of Toronto, upon which occasion he said:

> I realize, as the public debate over Viet Nam here and elsewhere over the past few years has shown, that it is possible to arrive at different assessments of the rights and wrongs of the various positions represented in the conflict.

Speaking for myself I would not have much respect for a member in this House of Commons who did not have some strong views on this issue right now. All of us could blurt out what we feel about this conflict. However, the important question is: Would this serve any useful purpose, and would it add to the sum total of Asian happiness and the chance for peace? The Prime Minister said:

> —whatever the view one might hold about the origins and development of a situation such as we face in Viet Nam today, I believe that the right and proper course for the Canadian policy maker is to seek to establish that element of common ground on which any approach to a solution must ultimately rest.

This is exactly what Arthur Goldberg stressed in Tokyo when he said that at least there are certain common grounds in the views of North Viet Nam, the U.S. and South

Viet Nam on this issue. These we must pursue. Frankly I had hoped a month or more ago that there was enough consensus on common objectives that this might be a basis for peace.

The Prime Minister said:

In what might be called a process of public diplomacy—

And this touches exactly on the motion of the right hon. Leader of the Opposition when he spoke about the process of public diplomacy.

—the parties themselves have gone some distance over the past year or so in defining their positions. This open exchange of propositions is, of course, useful in settling international problems, but it must, I think, be accompanied by other, less conspicuous efforts, since public positions are generally formulated in maximum terms.

Here we have the Secretary of State for External Affairs sedulously searching from one side to the other for what may possibly be some little strand of common ground. He said:

—the Viet Nam conflict will ultimately have to be resolved by way of negotiation.

What other way is there except total war? He said:

In the process, confidential and quiet arguments by a responsible government are usually more effective than public ones.

This is the only effective way, at least for Canada, to make some contributions. Of course there are other ways of being involved in this war. Some of our good friends, such as the Australians, the New Zealanders and the Philippinos conscientiously have taken the other course. That course would not be acceptable to many people in Canada. I would like to believe that what we are doing is offering to back up negotiations with the actual presence of our elite troops, this being the finest and the noblest contribution that Canada could possibly make.

The Prime Minister said to the professors:

I have repeatedly stressed that I would be glad to see the bombing stopped, northern infiltration into the south stopped, and unconditional peace talks begin.

The Prime Minister has never been prepared for a half motion such as the one made by the hon. member for York South, a motion which would hold the hand of one side but not the other. Nor is he prepared to take any position which will destroy the usefulness of this Canadian position, which we trust is objective, balanced and hopefully designed to contribute to peace.

The Secretary of State for External Affairs speaking in New York said:

The political objectives of the governments representing the two communities of Viet Nam were in direct conflict, and this became more and more evident in the months following July, 1954.

Surely it has become even more evident since then.

One of the problems raised by Arthur Goldberg in Tokyo and elsewhere is simply the fact that negotiations which have no possible chance of constructive development are probably not worthy of beginning, although he said he was prepared to make any kind of attempt. He said that before there is negotiation he would like to think there might be some hope of resolution of the deep and fundamental problems separating these peoples. I would be very disappointed if Canada thought she had no interest or part to play in the troubled parts of the world. It seems to me we have to live according to the maxim that no man is an island, that in fact we are all related one with the other, and that we are all deeply involved. On the other hand there is a certain arrogance, ignorance and foolishness in Canadian thinking that we have superior wisdom, and that somehow or other many thousands of miles away we are in a position to resolve matters which could not be resolved by the native and indigenous people over a long period of their history.

I should like to say in conclusion that Canada has consistently attempted to act objectively and to support findings against either side if they were in fact substantiated by impartial investigation. That is why we are on the International Control Commission in the first place, and that is why we have stayed there. The line of the 17th parallel which created North and South Viet Nam has not been envisaged as a permanent frontier, any more than the lines within Berlin and between the Koreas. The sad fact is that it is continued, and that the commitment of the prestige of the major powers to the protection of the north and the south has made unification of the country impossible. So it is not simply the case of resolving differences between north and south. The fact is that the 17th parallel was as sensitive a boundary as any truce commission ever tried to police. Nevertheless let us have hope, because just a few short years ago many of us despaired of a conclusion to the Korean conflict. I was talking to a Canadian sergeant not long ago who told me that he, together with his bombardier and a civilian, were policing the boundary

line with perfect amity and no difficulty. Can anyone seriously question at this critical moment whether we should stay on the commission? I suggest that if we were to pass either the amendment or subamendment, we would have to take the only logical course, and step out. If we step out, then what? What is our course if we step out of the International Control Commission?

As the Secretary of State for External Affairs pointed out in New York, the commission stands as a symbol of the cease fire agreement of 1954. He said:

> The commission stands as a symbol of the 1954 cease fire agreement and can be considered as an indication of the continuing interest of the Geneva powers in the situation. Most important of all, however, is our belief that in the right circumstances the commission might be able to make a positive contribution to a peaceful settlement of the Viet Nam issue.

That is one of the reasons for the two trips made by Mr. Chester Ronning. The Secretary of State for External Affairs said:

> The fact that our efforts to contribute to the search for a peaceful settlement in Viet Nam have not borne fruit is not, in my opinion, a reason for abandoning them.

• (9:20 p.m.)

I do not think we should be quitters even in the cause of peace. We would not be quitters in the cause of war, would we? If things were difficult in a war and we were an incumbent force we would not think of chickening out, but would stay right there, whether it meant a loss of a brigade, a division or a corps. Is that not so? This is no time to pull out because we happen to be there, and things are not going as we would wish. We are there, not as fighters for war but as fighters for peace. We believe that a military solution alone is neither practicable nor desirable. Is it not strange that the two countries with whom we are good friends at the moment, namely Japan and Germany, were both countries which we fought so vigorously? Anything is possible in even a short time. We now clearly see that North Viet Nam is not going to impose its control over South Viet Nam by military means, which seems to be the standard method of achieving revolutionary gain.

We are all familiar with the doctrines of Lin Piao and the writings of Mao Tse-tung in this regard. We can be satisfied that the north will not prevail over the south by military might. Surely what we hope for is de-escalation, to bring the fighting gradually, steadily, but inevitably to a halt and then to find a more permanent solution.

[Mr. Matheson.]

The United States has made a vast contribution to overseas aid. I think particularly of the Asian bank in the Far East, where their contribution is matched only by that of Japan. They have made a fantastic contribution to the betterment of underdeveloped peoples. If we could all start to swing our collective efforts toward the restoration of sound economic conditions among the Asian peoples this would permit a return to prosperity and peace. We believe that this peace will come only by an international presence in that sad and troubled land of Viet Nam. Our presence on the International Control Commission may be stage one in a process of even greater involvement.

For the reasons I have indicated, Mr. Speaker, I feel it would be disastrous to the cause of peace to accept the amendment and the subamendment which have been moved. For that very reason, in the interest of peace I contend we must not abandon our sensitive, embarrassing, difficult, awkward and troublesome role on the International Control Commission. I respectfully ask that confidence be placed in a government that is trying quietly and responsibly to do what it believes is in the very best interest of people so far away from our shores.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, there are two matters I should like to discuss in this debate. The first is peace keeping, the second Viet Nam.

I understood, though I may have understood wrongly, that in his speech this afternoon the Leader of the Opposition (Mr. Diefenbaker) suggested that because of the withdrawal of UNEF from the Middle East, or from its position in the Middle East, the failure if not the futility of peace keeping forces generally had been demonstrated. However, I think that later in his speech he spoke of the necessity for finding some alternative. Then he went on to deal with the question which we debated at some length last session, namely the role of our unified forces, and he seemed to suggest that because we are progressing toward a unified military force, what had happened in the last week or so in the Middle East required us now to change our direction.

Of course, Mr. Speaker, it was never the case that the unified forces contemplated by Canada were to be limited to what are called United Nations peace keeping operations. This was said again and again and was just as clearly and vigorously contradicted. This is not the sole purpose of such a force, though it was one of the purposes.

I do not wish to go back and rehash the debate we had last session, even though the remarks of the Leader of the Opposition tempt one to do so. I want to seek to deal with what he said about the apparent lesson to be learned from the withdrawal of UNEF, the lesson that demonstrated the futility and failure of peace keeping forces.

Indeed, Mr. Speaker, it is true that some of the difficulties of peace keeping have been clearly underlined by what has happened. However, I remind the members of this house that the process of growth of the institution of peace keeping forces is necessarily a matter that is attended by frustration, difficulty and occasional failure. We must remember that this particular peace keeping force was established in 1956 under very special circumstances, and for us to conclude from the fact that this force has now been withdrawn at the request of the country in which it was established that it is futile for us to worry about or to pin faith in peace keeping forces in the future would be a grievous error.

It has always been recognized that the development of the United Nations peace keeping forces was experimental; that we had to learn from experience; that these forces were set up from time to time in emergency situations in an improvised manner. It is natural that in building human institutions there should be frustrations and failures.

One of the human institutions upon which we must rely for our own security within national communities is the rule of law. Yet as everyone who has studied the matter would be ready to acknowledge, not only has the rule of law never been perfect and has failed from time to time, but its development has broadened down from precedent to precedent. If those who sought to establish a rule of law within national societies had given up at the first experience or experiences of failure or difficulty, then we would never have succeeded in developing that very essential and very necessary human institution.

I do not know, and neither does anyone else in this house or in the world know, what the future holds for the development of the rule of law within the nations of the world. But we in this country, in the special position that we are in, have the opportunity, I believe, to continue to give leadership in this field. I suggest that we should not be easily pushed aside from a determination to continue to support peace keeping activities within the United Nations by whatever means we can make available.

I venture to suggest that although something may fail or does not appear to succeed today, it will nevertheless be required tomorrow, the day after tomorrow and the day after that. The world has now reached the stage where it cannot afford to allow wholesale wars to break out. It cannot allow disputes that human beings and nations are bound to have, to be settled by the old method of war.

Therefore, Mr. Speaker, even though peace keeping may be experimental and frustrating, may make demands upon our imagination, may run counter to our ideas of national sovereignty and may be something that requires patience and fortitude to establish, if we are concerned about the future welfare of the world I think we must continue, despite these difficulties and frustrations, to put the whole weight of our particular influence behind the maintenance of this particular development upon which so much of the hope of the world depends.

• (9:30 p.m.)

I am not saying—and I see the hon. member for Winnipeg South Centre (Mr. Churchill) looking at me—that this is all we need to do and that we should concentrate exclusively on this role; but I say that to allow ourselves to become disappointed and frustrated—and not to see the value of this role—because of what happened this week would be a grave error.

The other subject I wished to discuss was Viet Nam, the subject matter of the subamendment moved by my deputy leader, the hon. member for York South. The subamendment is in its present form because, stripped of all complexities, Viet Nam is the key issue facing the world. It will not be possible for us to move forward with other developments, with the detente in Europe, with the settlement of problems in the Middle East so long as the conflict in Viet Nam continues, and threatens to escalate.

The key issue is the one set out in our amendment; how can the conflict be stopped. The key point in stopping the war is that the United States forces stop bombing Viet Nam. Why do I say this? I say it because almost every competent observer who has visited Viet Nam—from Chester Ronning of our country to U Thant and the Russian leaders who have gone to Viet Nam—has said that the essential preliminary to negotiating other matters is that the bombing of Viet Nam should stop. That being the key issue, we have included it in the subamendment, and

every member of the house will have to examine his conscience and decide where he stands on this issue.

The hon. member for Oxford (Mr. Nesbitt) mentioned that some of us were delegates at the United States-Canadian parliamentary conference. As you know, Mr. Speaker, I had the privilege of being a delegate. The different views expressed sometimes by some of the United States delegates from the U.S. senate and congress and by some delegates from Canada involved a basic difference of analysis. Of course, there was no absolute uniformity of view among delegates from either country, as one would expect in any democratic discussion among democratic friends. Nevertheless we were told again and again tha the involvement of the United States in Viet Nam was justified to prevent the threat of Chinese communist expansion. This was the bas c reason for the United States presence in Viet Nam.

This underlying hostility to China in our view is a tragic error; from this wrong analysis flow many tragic consequences. It is true that China has experienced a revolution which, as does every revolution, has left her isolated and ideologically aggressive. But those expert in the matter do not think that China constitutes a military threat to the western world, despite the deep and legitimate grievances she may have had in the past. We believe that everything possible must be done to end China's isolation. We believe that the main criticism of the war in Viet Nam is not a criticism of intentions, or of the good wishes of the American people; we criticize the inherent futility of what they are seeking to do there. They are seeking to intervene in a revolutionary situation, and the intervention is bound to end in failure.

I am indebted to the President of the Privy Council (Mr. Gordon) for giving in his speech of May 13 two excellent quotations to illustrate my point. The first is from Doctor Blake, General Secretary of the National Council of Churches in the United States—a great churchman and a great American—who said, as reported in the New York *Times* of April 27:

> In the second place our Viet Nam policy is wrong because we cannot win. By this I do not mean we cannot obliterate Viet Nam, north and south. We have the military power to do that. But when the swamps of the Mekong delta are filled up with dead Vietnamese and when the flower of our youth lies dead with them, what victory will have been won?
>
> Force cannot obliterate ideas.

[Mr. Brewin.]

The second quotation in the excellent speech of the President of the Privy Council is attributed to Senator McGovern who, in a speech reported in the New York *Times* said this:

> After all the dead are counted—American and Vietnamese—and the countryside is laid waste, we will have accomplished nothing. Having sown the wind, we shall reap the whirlwind.

We have opposed the course of the American government in Viet Nam and we have said that the government of Canada must clearly do the same thing, not because of any prejudice against the United States, or because of lack of friendliness for its people, but because we believe, as was so well put by the President of the Privy Council that the present United States policy will bring disaster to us all—to the United States, Canada, and the other countries in the western world.

There is a basic difference between our viewpoint and that presented this afternoon by the hon. member for Leeds (Mr. Matheson) in his speech. He says that the present quiet diplomacy, the modest, muted way we have of not speaking clearly on this matter is the most effective way to end the disastrous situation in Viet Nam. Our basic difference is not that we do not believe in quiet diplomacy—there is of course a place for quiet diplomacy—but that we do believe that when the world is rushing to disaster quiet diplomacy is inadequate.

We believe that everybody who feels we are rushing to disaster should join in expressing that view; the cumulative weight of opinion might make itself felt in a way that would be far more effective than any so-called quiet diplomacy at this stage. Many matters between our two countries may properly be solved by quiet diplomacy. We do not wish to discount all the usual means of quietly discussing problems that concern our two countries. Those means are essential. But when the world is faced with a crisis of conscience, when we think that with all good intentions the United States is rushing to disaster in Viet Nam, to an escalation of the war that could end by wiping out the world, nothing less than saying clearly what we thing will do. We should stop the quiet diplomacy and firmly say where we believe the present course will lead.

I know that this view crosses party lines; many in the different parties agree with the line taken by the President of the Privy Council the other day. I believe that his was a cry of conscience. I share the feelings of the

hon. member for York South about the action the President of the Privy Council ought to take. Though I admire greatly what he said, I think, when he was told that his policy was diametrically opposed to the policy of the government to which he is a member, and that he could not repeat what he said and remain a member of the government, he ought to have resigned.

The hon. member feels as do many men in every part of the government of the world—the Pope, U Thant, and many of the most experienced and wise leaders of the United States. This is precisely the point we are making in our amendment, which is: Stop the bombing of north Viet Nam.

• (9:40 p.m.)

Mr. Martin (Essex East): May I ask the hon. member a question? I do not think the Holy Father took that position.

Mr. Brewin: I hope the minister will allow me to complete my peroration before he asks any questions. I was about to say that what we have put in our amendment expresses not just an emotional view; it embodies a course which qualified people have declared to be necessary in order to end this was by negotiation. I say that all people of good will including the government of Canada, should stand up and be counted on this particular issue.

We know the negotiations will be long and difficult. But we have been told by authorities who know what they are speaking about that this is a necessary preliminary, and all we ask is that it should be followed. I believe the Pope spoke for the conscience of mankind when some time ago he used very simple words in this connection and addressed them to the government of the United States. What he said was: "For God's sake, stop."

I think we can do no less than join in the chorus of people throughout the world who would say, with him, to our powerful friends, our very dear friends in the United States: "For God's sake, stop."

Hon. D. S. Harkness (Calgary North): If one were to take a globe of the world tonight and encircle every trouble spot on it in red, and then turn to that portion showing Europe, Africa and Asia, it would look like a bad case of measles. One thinks immediately of Viet Nam, of China, Hong Kong, of the Near East, Nigeria, southwest Africa, Aden, the Yemen and so on, to mention just a few places.

In all these areas where disturbances are threatening world peace the two which are most dangerous are undoubtedly the Near East and Viet Nam. I think, myself, that at the present moment the situation in the Near East involving Israel and the Arab states, particularly Syria and the U.A.R. is the most pressing and presents the most immediate danger to world peace. Whether, as we all hope, it will prove possible to prevent war developing in this area or whether, by terrible misfortune, war does break out there, I am afraid the prestige of the United Nations has been seriously damaged.

I believe that one of the things to which we should now seriously address ourselves is the search for means by which the prestige of the United Nations can be restored. One reason why the high regard in which the United Nations is held by so many people has been diminished as a result of the precipitate withdrawal of the United Nations force from the Gaza strip is that many people fail to realize that the United Nations has no military or economic power of its own, but possesses only such economic and military power as is provided by its members. Of itself, the United Nations has only moral force and moral power. To the extent that it is able to exert economic power in the form of sanctions or military power in the form of force, it must be through action taken and forces provided by its members.

The moral power of the United Nations depends on its prestige, and for this reason I believe that no matter what happens in the Middle East a severe blow has been dealt to the United Nations and it will be necessary for all countries which believe in that organization and which want to see it remain a powerful force for peace in the world to do everything in their power to rebuild that lost prestige.

I suggest that its restoration must take the form of a two-stage program. The first, the short term stage essential in order to get control of the present situation in the Middle East, is that action be taken by the Security Council or the Assembly, or the two combined, to ensure that war does not break out in the area and to prevent the Arabs or the Israelis starting a conflagration which, because of the geographical area with which we are concerned, could readily engulf the entire world. What action could be taken, or how it could best be pursued, I am not in a position to know; the minister is in a better position in this regard than I am.

Mr. Martin (Essex East): The hon. member may be interested to know that the Canadian

ambassador to the United Nations has joined with the Danish ambassador in requesting a meeting of the Security Council which, I hope, will take place tomorrow.

Mr. Harkness: I am very glad indeed to hear that the Security Council is being summoned and will be placed in a position, I hope, to deal with this crisis. I suggest that the action of the council might be effective if the powerful nations who constitute its permanent members were to talk in very strong and plain terms to both the Arabs on the one side and the Israelis on the other. It seems to me that this is an essential first step on the part of the Security Council to prevent the extension of this conflict.

• (9:50 p.m.)

I heard the minister on television the other night, and I believe he said it in this house although I am not certain, that he had suggested to U Thant that the United Nations force in the Gaza strip should be deployed on the Israeli side of the boundary. We have heard nothing from the minister since in that connection, and I think the house and Canada as a whole would be interested in knowing what has been the reaction to that suggestion.

Mr. Martin (Essex East): I was informed on Saturday by the foreign minister of Israel that, for reasons he outlined, the proposal was not acceptable. I may say that when I received this response events, had of course, overtaken the suggestion which had been made to the Israel ambassador here in Ottawa prior to the actual decision of the Secretary General effecting the withdrawal of the force.

Mr. Harkness: I am sorry that that suggestion which the minister made, and in which I thought there was considerable merit, is not being followed through. In spite of what has been said on this matter I personally can see no difference between the United Nations peace keeping force being on the Egyptian side of the border or on the Israeli side of the border. In fact, I always thought it was a mistake that it was not on both sides of the border from the beginning. I think it would have been much better had it straddled the border from the beginning, as it would have made any outbreak much more unlikely than was the case when it was only on one side of the border.

In that connection I might say that when I was in the Gaza strip in the last week of 1962, and was going along the line of demarcation, which was only a narrow ditch, I jumped

[Mr. Martin (Essex East).]

across the ditch on to the Israeli side, and the United Nations people nearly went out of their minds. They shouted, "Get back right away", and when I returned said, "It's a wonder you were not shot". It always seemed to me a great mistake to have a situation in which if anybody deliberately or inadvertently went across a ditch that size, he might be shot. It would have been a much safer situation to have had the peace keeping force spread at least a mile or so on each side of the border, and I would hope that if there is a future operation of this kind this is what might be done, because it would be much safer.

These are some of the things which I think might possibly be done on a short term basis. Also on a short term basis I think the United Nations General Assembly might take some action in calling on those on either side of the dispute to use moderation and be prepared to talk in connection with the whole matter.

At the present time it seems to me that the situation in the gulf of Aqaba presents a particular danger. The U.A.R. has announced that it is going to blockade the mouth of the gulf, which it can readily command from Sharm El Sheikh without the use of ships. From that point the gulf can be commanded by artillery fire, but the Israelis have stated that they are going to continue the use of the port at the head of the gulf. This creates a hard position, one which more than any other may produce the spark to start the conflagration.

I believe it is the duty of the Security Council to put all the pressure necessary on both contestants to make sure that shots do not start to be fired at the entrance to the gulf of Aqaba.

Mr. Martin (Essex East): I have just been informed that the Security Council will meet at 10.30 tomorrow morning.

Mr. Harkness: So much for the short term situation. From the long term point of view of restoring and building up the prestige of the United Nations there are a considerable number of steps which may be taken. The first of these is that the United Nations should be much more active and insistent on having some of the basic causes of the conflict along the boundary cleared up. Since 1956 refugee camps have been maintained in the Gaza strip. These presently hold over a million Palestinian Arabs whose original homes were in what is now the state of Israel. They fled from there during the war, and since that

time have been supported by the United Nations in a condition just above the starvation level.

These refugees live in conditions of complete misery. I was never more saddened and discouraged than when I spent a day going through the refugee camps in the Gaza strip and saw the conditions in which these people were living, saw the rations which were given out to them and, in particular, saw the complete lack of any opportunity for them to be able to secure an education, to learn a trade, or to have any prospects or opportunities. I should qualify that by saying there was one small trade school which was training a limited number of the refugees who, after training, were being accepted in other Arab countries as trained mechanics, etc. But that was only a drop in the bucket.

That situation is not only in the Gaza strip. It exists to a greater extent in Jordan, and it also exists in Syria and the Lebanon. In my view the United Nations has been very slow to act. Really, it has been derelict in its duty in allowing this situation to drift on from year to year. It has taken no action and, so far as I know, has never really tried to get this basic situation cleared up, a situation which, as long as it exists, is going to cause trouble and the chance of war between Israel and her Arab neighbours.

As long as you have that Palestinian refugee problem, with these people living in miserable surroundings in camps along the perimeter of Israel, you are going to have the threat of war. You are going to have border raids and anything else along that line which makes for an unstable situation. Therefore I say the United Nations has been derelict in its duty. It has not attempted to cope with this problem and find a solution for it.

I think a solution for it can only be arrived at by the countries of the United Nations as a whole being prepared to take action to accept these people as immigrants, and by other Arab countries being prepared to take these people and absorb them in their general populations, something that they have not done because they wanted these people to remain there as a festering sore in order to keep alive the bad feelings between themselves and the Israelis.

The Israelis also have been responsible, to a considerable extent, because they would not allow any of these people to go back to their original homes, and would not provide money to move them to other places, even though as part of the original settlement they were supposed to provide funds for this purpose. In effect, the responsibility for this situation rests on the Arab countries, on the Israelis and on the United Nations. If we are ever going to have long-term peace in the Middle East this is a situation which must be corrected. As soon as the immediate crisis is over, Canada and the other members of the United Nations should insist that action be taken to deal with this problem.

May I call it ten o'clock, Mr. Speaker.

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39 A deemed to have been moved.

EXTERNAL AFFAIRS—SALE TO U.S. OF ARMS FOR USE IN VIET NAM

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on May 17 I asked the Secretary of State for External Affairs, in brief, why when our policy is to refuse to sell arms to certain countries we continue to sell arms to the United States. This is a matter which has been of considerable concern to me and to the members of this group. We all know that various professors at universities and other groups throughout Canada have presented signed petitions to the Prime Minister. I have had letters from my constituents which indicate that some of these people have sent letters to the Prime Minister because of their concern about this matter.

I see on May 13 that 172 members of the teaching staff of the University of Saskatchewan forwarded a petition to the Prime Minister, in which they say:

> We strongly urge you as a member of the house to support a policy which will
>
> (1) curtail all military shipment to participants in the Viet Nam conflict,
>
> (2) seek a peaceful solution to the war,
>
> (3) involve Canada in a program of immediate medical assistance.

This is what we have been trying to do since we discussed this very important, unfortunate and urgent question. The members of this party completely disagree with the Canadian government's quiet diplomacy policy in respect of the war in Viet Nam, and reject the reasons advanced by the Prime Minister and the Secretary of State for External Affairs for following this policy. Briefly, the government's argument is that it should refrain from making what the

Secretary of State for External Affairs term "strong public declarations" on the war on the grounds that it would impair its efforts to bring the war to an end through negotiations. The argument is that Canada must maintain a neutral stance and avoid offending either of the combatant nations so that its mediation attempts will not be rebuffed.

We contend this reasoning is fallacious. The events of the past few years have disclosed that Canada, far from remaining neutral, has publicly defended American activities in Viet Nam while criticizing alleged acts of aggression by the National Liberation Front and North Viet Nam. *Hansard* is full of speeches to this effect by the Prime Minister and the Secretary of State for External Affairs, and other government spokesmen.

In addition, Canada is selling to the United States every year some $300 million worth of armanents, much of which is forwarded to American troops in Viet Nam. This is the issue with which many are concerned; this is a moral issue. It is a matter of conscience. I have heard people, even over television, say that this is nothing to be concerned about. From our point of view, however, this is a moral issue.

The Secretary of State for External Affairs says that the sale of munitions to the United States is the result of a commitment made in the defence production sharing agreements of 1959 and 1963. But the fact is that Canada has signed no agreement to ship arms to the United States, and is therefore under no legal obligation to do so. The agreements simply provide for Canadian companies to bid on an equal basis with United States firms for United States government contracts, and the $300 million in arms sales annually is the result of this arrangement. Whether or not all these armaments go to Viet Nam, what this means is that it makes it possible for the United States to send a certain amount of arms to that country.

The sale of Canadian war material to the United States is therefore a flagrant violation of our government's long standing policy, adopted after world war II, of not shipping arms to combatant nations, particularly in areas where Canadians are involved in peace keeping activities. For example, Canada has refused to supply arms to Israel and the Arab states, to Pakistan and India, to Greece and Turkey, and to other areas where hostilities have broken out, such as Malysia and Angola. There is no excuse whatever for making an exception to this policy in the case of Viet Nam, especially when Canada is a member of the International Control Commission there.

[Mr. Herridge.]

Even if Canada had remained genuinely neutral, there is no evidence whatever that its efforts to influence the combatant nations would have been successful. On the contrary, all indications point to the conclusion that the United States has been deterred from even greater escalation of the war solely by those nations and world leaders who have had the courage to speak out against American bombing, crop poisoning, and scorched earth tactics.

It has been world opinion, as voiced by such nations as France, Sweden and India, and by individuals such as U Thant and Pope Paul, and the protests against the war by peace groups in the United States and other countries, that has prevented the war in Viet Nam from expanding into a global catastrophe. Those countries which have, like Canada, acted as apologists for United States policy in Viet Nam or have remained silent have been ignored in Washington. That has been obvious in recent days. Canada's quiet diplomacy, in short, is serving to prolong the war, not shorten it. The Viet Nam war is the greatest moral issue of our time. The world's strongest military nation is systematically obliterating a small peasant country by all the means of mass destruction in its vast arsenal, short of nuclear weapons, and we are assisting by supplying those weapons. This barbaric behaviour verges on attempted genocide, and I have no hesitation in using those words. I give great credit to the work done by the federation of veterans in this regard. These men have taken part in war and they know something about it. To refuse to condemn this behaviour, as the Canadian government has done, is to condone it.

I should like to ask the parliamentary secretary how he justifies the supplying of arms to the United States under these circumstances.

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, one would think that if the hon. member found this to be such a driving moral issue he would have paid more attention to it and, in particular, he would then know that this question was raised and answered on the late show on February 7, 1967 as reported at page 12775 of *Hansard*.

I must say that the hon. member's remarks strike a rather familiar note. They appear to bear a very close resemblance to a document

being distributed early this week or late last week by a group describing itself as the Ottawa committee with respect to Viet Nam. His remarks indicate an inspiration from that particular group.

Really what the hon. member has said has already been effectively dealt with previously by statements in the house. The first general complaint against the United States was effectively dealt with by the Secretary of State for External Affairs.

This question should not be considered in the narrow perspective of Viet Nam, but rather in the full context of our international relations, and particularly those with the United States. Taking it first, however, in the context of Viet Nam, I wonder whether the hon. member seriously thinks that this subtraction of equipment would really affect the issue there. I think there can be no question that the breaking off of relations as advocated by the hon. member for Kootenay West could not help but be deleterious to our influence with the United States. I again raise the question, how could the creation of bad diplomatic relations between the United States and Canada save one additional life in Viet Nam? I do not think it could. Rather, as the Secretary of State for External Affairs pointed out this afternoon, and I think this has been recognized by Hanoi, the greatest value of Canada on the international commission is as a friend and ally of Washington, perhaps her closest friend and ally.

The hon. member inquires why we do not break off relations with that country. Certainly it is my view and the view of this party that we should not seek bad diplomatic relations with the United States, as apparently my hon. friend does. It was as a strong friend and ally of the United States that we first became a member of the control commission, and it seems to me from the standpoint of both Hanoi and Washington that we can continue to exercise an effective role, provided we keep the door open. We have heard suggestions from both sides of the argument in this country that we should slam the door on one or other of the contestants, and we have heard from the hon. member in particular, that we should slam the door on Washington. We do not think this would be in the best interest either of the Vietnamese nor of anyone else, that we should break off relations with Washington. For this reason I think we should reject the question raised by the hon. member.

[*Translation*]

PUBLIC WORKS—POINTE-MICHEL, QUE.—INQUIRY AS TO WHARF CONSTRUCTION

Mr. Guy LeBlanc (Rimouski): Mr. Speaker, if, a few days ago, I directed a question to the Minister of Public Works (Mr. McIlraith) with regard to harbour facilities or to the construction of a wharf at Pointe-Michel, on the north shore, it was because of an important fact, of a serious development in my constituency a few weeks back. I refer to the sale of a ferry-boat serving both shores of the St. Lawrence river, at Rimouski and Baie Comeau.

We know and understand that since 1961 the policy on ferry-boats serving two areas within one province comes under provincial jurisdiction. Nevertheless, that ferry service is always related to harbour organizations or facilities.

The population was proud of that ferry-boat which we had between Rimouski and Baie Comeau for over five years and which was very useful for transporting passengers, automobiles and trucks. It was also very useful to and very important for the economy of the Rimouski area, of the South shore in general and we were also conscious that we were helping our neighbours on the opposite north shore.

That is why, as a result of the sale of this boat after five years of service, various intermediate organizations of the area, municipal councils, retail merchants associations and the Chamber of Commerce of Rimouski undertook various steps expressed in resolutions among other things. On May 8, a resolution was addressed to various government officials, either at the provincial level for what concerned provincial jurisdiction or to various federal departments. The resolution addressed to the Minister of Public Works (Mr. McIlraith) said:

> —to ask the hon. Minister of Public Works of Canada to take forthwith necessary measures to have the construction of a wharf at Pointe-Michel started as soon as possible and that assurance be given to the Compagnie de Navigation Nord-Sud Limitée that such works will in fact be carried out.

Mr. Speaker, the reason why I am repeating my question to the Minister of Public Works tonight is to ascertain his attitude on this problem, on this wish of the population concerning the construction of a wharf at Pointe-Michel, opposite Rimouski, in order to facilitate trade between our two regions through the harbour of Rimouski.

Proceedings on Adjournment Motion

• (10:10 p.m.)

[*English*]

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I thank the hon. member for raising this matter and giving me an opportunity to provide an answer that I would have given when the question was put on the orders of the day had the rules permitted me to do so. I regret that I did not realize the question would be raised at ten o'clock, on the motion to adjourn, until six o'clock tonight, when it was too late to get the files and assure myself of the point the investigation of the matter has reached at this moment. However, I am familiar with the situation. I well understand the concern of the people in the area who desire service from the south shore to the north shore by the most direct and shortest route, as would result from a terminal point at Pointe-Michel.

In addition to the resolution passed by the Rimouski Chamber of Commerce, some other correspondence has come in from companies which might be users of the service, indicating their interest in the problem. At the present time I am not certain whether or not a formal request has come from the ferry company, but if it has not, I understand it is coming. In any event we are having engineers look into the whole matter of the feasibility of putting in the facility requested, and what it involves. I will be able to give a more definitive answer to the hon. member when this study is completed. In the meantime I can assure him that his request and the representations of the hon. member for Saguenay (Mr. Blouin) are being given every attention by the department.

AIR TRANSPORT—REQUEST FOR BAN ON USE OF HIGHLY INFLAMMABLE FUEL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on the orders of the day this afternoon I put a question to the Minister of Transport (Mr. Pickersgill) regarding the use by jet airliners of JP4 fuel. I have the feeling that the minister did not quite understand my question, and that is the reason I put it down for tonight's late show.

I gather I drew the late late show. When I asked my question this afternoon the Minister of Transport seemed to think that I was suggesting that the use of JP4 fuel was somehow the cause of Saturday night's tragic accident at Uplands airport. I am sure he would realize on a moment's reflection that I was not suggesting that at all. But, as I indicated when I asked questions about JP4 fuel on previous occasions, it does seem to me there is something to the point of view that if an aircraft is using a fuel with a low flash point, sometimes called high inflammability, the danger of fire or explosion after a crash is greater than if an airline is using a fuel with a high flash point. It is because of this belief, which seems to me quite logical and which is held by the International Transport Workers Federation and subscribed to by certain other people as well, that I think the government should make a study of the question and determine whether or not it should ban the use of JP4 fuel by jet aircraft in Canada.

Ironically enough, when I asked the question previously I was given an answer last Thursday night on the late show to the effect that the evidence pointed the other way, and that the matter I had asked about had been looked into but there seemed to be no reason to carry out the suggestion I had made. It is a bit ironical that only two nights later this crash took place. I am not suggesting that I know the details of the accident, but even the press release which the minister put out today does refer to an explosion taking place after the crash. That is the whole point of my concern about this matter. You cannot prevent accidents or crashes by using one type of fuel rather than another, but if there is a difference in what happens after a crash takes place on the basis of whether an aircraft is using a low flash point fuel or a high flash point fuel, surely it is common sense to try to avoid an explosion or a fire after the crash, if it is possible to do so.

Let me make it as clear as I possibly can that I was not suggesting that the use of JP4 fuel was the cause of Saturday night's accident. But it does seem to me that in the light of that accident having taken place, in addition to the investigation that is being made into the crash itself, the department should re-examine—academically, if you will, but very practically now—the whole question of the use of JP4 fuel.

As I say, I do not think it is good enough to tell me that an investigation into the crash itself has been ordered. I think the statement that was made by the parliamentary secretary to the Minister of Energy, Mines and Resources last Thursday night now has to be re-examined. That is all I am asking for, and I look the parliamentary secretary to the Minister of Transport in the eye and suggest to him that surely he cannot answer me with anything less.

• (10:20 p.m.)

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, since I am not a technician or an expert on fuels it seems to me that it would be expected that any fuel suitable for internal combustion would be explosive in an impact, as was the experience in the particular accident to which the hon. member referred. So far as the misunderstanding this afternoon is concerned, I can hardly suggest that the hon. member's asking the question today is coincidental with the accident that took place on Saturday evening, inasmuch as the question had been asked the previous Thursday night.

I am sure that Air Canada as an operating air line, while it may be accused of other deficiencies, has a safety record that cannot be criticized. The hon. member pointed out in his earlier question that he understood that this fuel is some 8 per cent cheaper than fuel used by other air lines. It is quite unlikely that a saving or just one or two cents per gallon by using less expensive fuel would influence the air line in the choice of the fuel it uses.

Nothing has occurred since the hon. member asked his question last Thursday to alter the statement that was made by the parliamentary secretary to the Minister of Energy, Mines and Resources, when he stated that it was decided after a number of experiments following the war when the explosive nature of the alternative fuels had been under study that the JP4 fuel was as safe as any alternative fuel that can be used for jet engine purposes. The hon. member went on to say, as reported at page 407 of *Hansard*:

> Under certain conditions it is safer than paraffin, basically kerosene, which is used by some of the other air lines. On other occasions it is less safe. However it is the total range of conditions which must be considered, particularly conditions under which jet aircraft fly in this country. In other words, this situation has been reviewed carefully. It is being reviewed from time to time and will be reviewed again as new fuels are developed and as circumstances change.

Motion agreed to and the house adjourned at 10.26 p.m.

HOUSE OF COMMONS

Wednesday, May 24, 1967

The house met at 2.30 p.m.

MERCHANT SEAMEN COMPENSATION ACT

AMENDMENT RESPECTING PAYMENT OF ALLOWANCES FOR ORPHANS

Mr. Joseph P. O'Keefe (St. John's East) moved for leave to introduce Bill No. C-117, to amend the Merchant Seamen Compensation Act.

Some hon. Members: Explain.

Mr. O'Keefe: The purpose of this bill is to widen the discretion of the merchant seamen's compensation board so an allowance could be made to a person who undertook the care and maintenance of orphans of merchant seamen entitled to compensation under the Merchant Seamen Compensation Act.

Under the present wording of the act the allowance is payable only if the person concerned moves into the house of the deceased seaman's widow. This bill would permit an allowance to be paid at the discretion of the board when the orphans are cared for and maintained elsewhere than in the former household in a manner satisfactory to the board.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HAWTHORN REPORT ON INDIANS

Question No. 11—**Mr. Dinsdale:**

1. Have copies of the Hawthorn report, "A Survey of the Contemporary Indians of Canada", been made available to all Indian bands in Canada?

2. If not, for what reason?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. Yes, a copy of the report was mailed to the chief of each band.

2. Not applicable.

27053—34

LOAN TO INDIA FOR NUCLEAR POWER STATION

Question No. 15—**Mr. Laprise:**

Did the government of Canada grant a loan to the government of India for the construction of a nuclear power station and, if so (a) when and for what amount was this loan made (b) what is the interest rate and what are the terms and conditions of repayments?

Hon. Mitchell Sharp (Minister of Finance): The government of Canada has extended two loans to the government of India for the construction of a nuclear power station. They were provided under the facilities of section 21A of the Export Credit Insurance Act.

(a) and (b). The first was made on April 27, 1964 in an amount of $37 million, and the terms of the agreement provide for interest at 6 per cent per annum on the outstanding balance, with repayment of principal to be made in 31 semi-annual instalments beginning February 1, 1969. The second loan was signed on February 28, 1967, and was in an amount of $38.5 million. Terms are similar, with interest at 6 per cent per annum and repayment of principal in 31 semi-annual instalments beginning February 1, 1972.

INCREASE IN INSULIN PRICE

Question No. 24—**Mr. Howe (Hamilton South):**

1. To the knowledge of the government, has there been an increase recently in the price of insulin manufactured by Connaught Laboratories?

2. If so (a) what is the amount and the percentage of increase (b) on what grounds has the increase been justified?

Hon. A. J. MacEachen (Minister of National Health and Welfare): 1. Yes.

2. (a) The Connaught Medical Research Laboratories, Willowdale, Ontario have reported the following new schedule of prices for insulin effective April 1, 1967, as compared to the previous prices. The percentage increase varies with the type of insulin.

			New	Old	% Increase
Insulin—Toronto	10 cc.	— 40 units per cc.	0.90	0.83	8.4
		— 80 units per cc.	1.75	1.60	9.4
		—100 units per cc.	2.20	2.00	10.0
	20 cc.	—500 units per cc.	15.00	15.00	—
NPH Insulin	10 cc.	— 40 units per cc.	1.20	1.00	20.0
		80 units per cc.	2.30	1.90	21.1
Protamine zinc insulin	10 cc.	— 40 units per cc.	1.15	0.96	19.8
		80 units per cc.	2.25	1.85	21.6
Lente insulin	10 cc.	— 40 units per cc.	1.40	1.10	27.3
Semilente insulin		— 80 units per cc.	2.65	2.10	26.2
Ultralente insulin					

(b) The grounds for the increased price according to the Connaught Medical Research Laboratories are the continuing increased cost of supplies, wages and salaries.

SASKATCHEWAN—OIL COMPANY PAYMENT FOR SURFACE RIGHTS

Question No. 26—**Mr. Watson (Assiniboia):**

How many dollars per annum does the federal government receive for surface rights from oil companies working in the P.F.R.A. pasture Lomond No. 1?

Hon. J. J. Greene (Minister of Agriculture): $34,000 from 165 leases.

C.B.C. INTERVIEWS WITH PERSONS REFUSED ENTRY INTO CANADA

Question No. 28—**Mr. MacLean (Queens):**

1. Since April 1, 1964, has the C.B.C. on any occasion sent a radio and/or television team abroad to interview persons who had previously been refused entry into Canada?

2. If so, on how many occasions was this done?

3. What was the total cost involved?

4. Were any of these interviews broadcast and, if so, on what dates and on what programs?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. that to the best of the corporation's knowledge no C.B.C. team has been sent abroad for this purpose.

BUILDING FOR TAXATION DIVISION, REVENUE DEPARTMENT

Question No. 29—**Mr. Bell (Carleton):**

1. What progress has been made in the erection of a building in the city of Ottawa for the taxation division, Department of National Revenue?

2. When is it anticipated that this building will be completed?

[Mr. MacEachen.]

3. What is the estimated total cost of the building?

4. How many square feet of space will be provided in the building?

Hon. G. J. McIlraith (Minister of Public Works): 1. Tenders have been called and close on June 13, 1967.

2. Thirty months from date of award or contract.

3. It is not customary to reveal the estimated cost before tenders are opened.

4. 435,533 square feet of net usable space.

WHARF CONSTRUCTION, CHANDLER, QUE.

Question No. 33—**Mr. Keays:**

1. Has there been an agreement signed by the Gaspesia Pulp and Paper Company Limited of Chandler, Quebec, and the federal government concerning the construction of a wharf at Chandler and, if no agreement has been signed, is there one under discussion?

2. What will be the cost of this project, when will it be undertaken, has the land been acquired, from whom, and at what prices?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes, the signed agreement was received by the department May 17, 1967.

2. The department now is in the process of acquiring land for the necessary right of way. The prices therefore are not yet set. Tenders for the construction will not be called until the right of way has been acquired. It has not been the practice of the department to give estimates of costs before tenders are called.

ADDITIONAL BUILDINGS, PENAL INSTITUTION, SPRINGHILL, N.S.

Question No. 37—**Mr. Coates:**

1. What will be the cost of the chapel and two additional workshops to be constructed at the

young offenders penal institution, Springhill, Nova Scotia, and what is the proposed completion date of these buildings?

2. What is the name of the contractor and was his bid the lowest tender received?

Hon. G. J. McIlraith (Minister of Public Works): 1. The cost of the chapel and two additional workshops is $1,894,000. The completion date is October, 1967.

2. Simpson Construction Ltd. of Fredericton, N.B., who submitted the lowest tender.

POLITICAL ACTIVITY OF MILITARY PERSONNEL

Question No. 45—**Mr. MacRae:**

To what extent is it permitted for military personnel to engage in political activity in a federal or provincial election campaign?

Hon. Léo Cadieux (Associate Minister of National Defence): The conditions governing participation by officers and men of the Canadian forces in federal and provincial elections are contained in the Queen's Regulations and Orders for the Canadian forces (article 19.44).

*REQUEST FOR WINTER WORKS ANNOUNCEMENT

Question No. 48—**Mr. Irvine:**

1. Will the Minister of Manpower and Immigration give some priority to the announcing of his department's policy on the winter works incentive program in order that municipalities may plan and budget in advance?

2. If so, when may such an announcement be expected?

He said: Mr. Speaker, I understood that starred question No. 48 was called. Was I incorrect?

Mr. Speaker: I must assume that it is the desire of the minister to let the question stand, since he is not answering it.

Mr. Marchand: May I have the question stood, Mr. Speaker?

Question stands.

ASSISTANCE TO UNEMPLOYED ON BELL ISLAND, NFLD.

Question No. 61—**Mr. Diefenbaker:**

1. How many people have been moved from their homes on Bell Island in the last 13 months?

2. What grant has been or is being made under the manpower mobilization program to each of said persons who owned a home?

3. When did such grants commence, and will the government give consideration to increasing the amount of such grants?

4. Of those who have left the island for other centres, how many are now gainfully employed?

5. Would the government give immediate consideration to additional measures to alleviate the serious situation in which, through no fault of their own, the people of Bell Island find themselves?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. 1,745, including 470 workers and 1,275 dependants.

2. The manpower mobility program provides for a grant of $500 to a homeowner who sells his home or buys a new one.

3. April 1, 1967, and see (5).

4. All workers were moved to gainful employment.

5. As part of its active program of assistance, the government is continually considering, in collaboration with the government of Newfoundland, further action projects which will be implemented if they are practicable and effective.

IMPROVEMENTS TO SUPREME COURT BUILDING

Question No. 77—**Mr. Bell (Carleton):**

1. What alterations and improvements are being made to the Supreme Court building?

2. When is it expected that such alterations and improvements will be completed?

3. Will these alterations and improvements provide any additional court or office space and, if so, what?

4. What is the total estimated cost of all such alterations and improvements?

Hon. G. J. McIlraith (Minister of Public Works): 1. The provision of a judge's chamber; improvements to the registry office of the registrar's department of the Exchequer Court; the provision of reference room, duplicating and printing room, court exhibit room, and general storage area; improvements to the air conditioning systems; improvements to the lighting systems; and the conversion of a freight elevator to a passenger-freight elevator and the installation of a new small service elevator.

2. It is expected that this work will be completed early in 1968.

3. No additional court space will be provided. However, some of the existing space will be converted to office space for one judge, to a reference room, duplicating and printing room, exhibit room and for general storage.

4. A contract has been awarded to M. J. Lafortune Construction Ltd. in the amount of $497,980 for carrying out this work.

Inquiries of the Ministry

QUESTIONS PASSED AS ORDERS FOR RETURNS

* GOVERNMENT DEPARTMENTS RECEIVING INCOME TAX INFORMATION

Question No. 52—**Mr. McCleave:**

To which department or agencies of government does the Department of National Revenue make available information from income tax returns?

Return tabled.

C.B.C. AWARDS FOR EDUCATIONAL PROGRAMMING

Question No. 53—**Mr. McCleave:**

How many awards for its educational programming have been made to the C.B.C. each year since 1955, listing the donor organization and the program receiving the award?

Return tabled.

AGRICULTURE

PRESENTATION BY FARM DELEGATION—SPREAD IN MILK PRICES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would direct a question to the Prime Minister in connection with the very orderly manner in which a presentation was made today by farmers from eastern Canada, respecting the serious situation in agriculture. Is the Prime Minister now prepared to say whether the request that was made by Her Majesty's opposition ten days ago, in an amendment calling for a price of $5.10 per 100 pounds of manufacturing milk, will be met and that this price will be made available to the farmers? Furthermore, having received these very thoughtful and direct representations from the farmers, is the Prime Minister now prepared to say whether an investigation will be ordered regarding the spread between the prices the farmer receives and the inflated prices the consumer must pay?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the representations which were received by the government only a few hours ago will be studied by the government with all the care they deserve, and when a decision is made in regard to those representations which are already in hand, that decision will be announced.

Mr. Diefenbaker: Will the Prime Minister say whether he will give consideration to having an examination made of the spread between what the consumer pays and what the farmer receives?

Mr. Pearson: That examination, Mr. Speaker, has been made on occasion in the past by royal commissions, and it is a continuing question—

Mr. Diefenbaker: Not since 1935.

Mr. Pearson: Yes, since 1935. It has been investigated since then and it is continually under examination. It may well be, Mr. Speaker, that the task force which is being set up, and which I hope will be announced shortly, will have this as one of the subjects for inquiry.

UNITED NATIONS

MIDDLE EAST—CONSIDERATION BY SECURITY COUNCIL

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. In view of the fact that it is anticipated that the security council will resume its meeting tomorrow to hear the report of the Secretary General following his visit to Cairo, may I ask the Secretary of State for External Affairs what position Canada will take on the security council in respect of the threat by Premier Nasser to blockade the gulf of Aqaba?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the security council had a meeting this morning. It was expected to meet at 10.30 as the result of an initiative taken by Canada and Denmark. After the hour when the meeting was scheduled to take place a number of powers thought it was unwise for the meeting to take place at that time.

The Canadian ambassador and others sharing his view persisted. The meeting did take place, and the Canadian ambassador made a statement. Council will resume again this afternoon at 3.30 and I anticipate, pursuant to instructions given by the Canadian government, that a proposal will be made in terms which will be referred to when the Prime Minister speaks during the course of this day. Canada has taken the position that in this very serious situation the security council should be in session, and Canada has taken steps to bring this about.

Mr. Douglas: Mr. Speaker, I have a supplementary question. May I ask the minister whether the Canadian government intends to

suggest that the security council and the United Nations should undertake to re-emphasize the freedom of access to international waters such as the gulf of Aqaba?

Mr. Martin (Essex East): This is a very important element. As I stated yesterday, it would seem there cannot be much doubt that under international law the right of free passage in the strait exists.

Mr. David Lewis (York South): I have a further supplementary question, Mr. Speaker. May I ask the Secretary of State for External Affairs whether he has information concerning whether or not the strait of—I think it is Tiran—is heavily mined and whether any ships have gone into the gulf of Aqaba since the threatened blockade.

Mr. Martin (Essex East): I assume my hon. friend is referring to the strait of Tiran. I have no confirmation of that news story.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Is it the intention of the government to offer naval and military aid if the United States sixth fleet undertakes to protect shipping in the Aqaba gulf?

Mr. Martin (Essex East): I know of no such proposal. In any event I am sure my hon. friend would appreciate that the seriousness of this matter does not warrant his usually very agreeable form of humour.

Mr. Churchill: Mr. Speaker, it is not humour at all. I say this very seriously. Is this problem to be left just to the United States to settle or, in view of the announced policy of the government, are we not prepared to assist with our naval and military forces.

Mr. Martin (Essex East): I hope the United States will take a very vital interest in this matter. I also hope some of the other great powers will take a special interest in this situation. Having said that, I am not ashamed of the interest Canada is taking in the matter.

POSSIBLE WITHDRAWAL OF CANADIAN MEMBERS OF GAZA STRIP FORCE

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of National Defence. In view of the information the minister gave on television last night in connection with the withdrawal of the Canadian troops which formed a part of the United Nations force previously in the Gaza strip, would he now inform the house what the arrangements are in this regard?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker I did not discuss contingency plans in any detail, nor do I care to do so at this time. I did indicate, however, that we were sending three ships to the eastern Atlantic to be available in case of emergency. I gave this indication because the news media in Halifax had already become aware that this operation was commencing today, as a result of information received from some of the sailors who had been alerted. I thought in fairness it was the best thing to indicate publicly that these ships were being sent and that this was part of an over-all plan which would give us a maximum number of options in case the situation deteriorated. I declined then and I would have to decline now to elaborate on the details in respect of any possible operation.

Mr. Harkness: I have a supplementary question. In view of the fact that last night on television the minister did go into some detail about the possible evacuation by air, land and sea, and in view of his statement yesterday that there was no plan for evacuating the troops from El Arish airport, which is the only one available, will the minister now tell us what he meant by his statement last night?

Mr. Hellyer: I meant exactly what I said, Mr. Speaker. There are three options available and we do not want to foreclose any of them. This involves the difference between contingency plans and what might be definite plans under certain circumstances having in mind political and other factors. It is because of this that I declined to elaborate yesterday and feel that I must decline to elaborate further at this time.

Mr. W. B. Nesbitt (Oxford): I have a supplementary question, Mr. Speaker. Yesterday the minister told us that he thought Canadian troops would be the last to be removed from the area. Can the minister elaborate as to why that is so? Is it due to transportation facilities or the lack thereof?

Mr. Speaker: Order. I would not think this question is in order.

Mr. G. L. Chatterton (Esquimalt-Saanich): I have a supplementary question, Mr. Speaker. Will the minister say whether any ships on the Pacific coast are to be moved to the Atlantic coast, or is such a move being contemplated?

Mr. Hellyer: I am not aware of any such plan, Mr. Speaker.

Inquiries of the Ministry

FINANCE

REQUEST FOR REPORT ON MEETING OF GROUP OF TEN

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is directed to the Minister of Finance. Some time ago I asked a question regarding the meeting of the financial officials of the big ten in Washington. This meeting now has concluded. The minister said that if anything came out of the meeting he would be pleased to provide the information to the house. It seems that at least there will be a meeting in July of the finance ministers of the big ten in which the Minister of Finance will be involved. Could he tell us anything about the type of matters which will be on the agenda for that meeting, and what Canada's policy will be in respect of the formation of a new international monetary asset?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, just yesterday I had a full report from my officials of the meetings which have taken place of the deputies of the group of ten ministers. The discussions have been very difficult indeed. I would be less than frank if I did not say that so far the results have been disappointing. However, I am hopeful that it still will be possible to emerge from the discussions with improvements in the machinery for creating international liquidity; and when the ministers meet, I hope in the first week of July, that will be the objective of the Canadian government.

[*Translation*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to direct my question to the hon. Minister of Labour.

Because of the growing discontent of the Confederation of National Trade Unions and the coming march on Ottawa of its members, does the government intend to finally recognize the confederation as a national negotiating unit and reform the C.L.R.B. according to a just and equitable concept?

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a question for the right hon. Prime Minister. Could he tell the house whether the lucubrations of the Minister of Manpower and Immigration concerning France's imperialistic designs over Canada reflect government policy?

[Mr. Hellyer.]

[*English*]

ROYAL CANADIAN MOUNTED POLICE

REPORTED STATEMENT BY MEMBER OF B AND B COMMISSION

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to ask the Solicitor General whether he can categorically deny the suggestion that a member of the B and B commission expressed advance information to the effect that the government plans that the Royal Canadian Mounted Police be abandoned because it is nothing but a relic from the Northwest Territories, or something of that sort.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I have no knowledge of the allegation referred to by the hon. member. Let me assure hon. members that this government has every confidence in the Royal Canadian Mounted Police.

Mr. MacLean (Queens): Mr. Speaker, I should like to address a related question to the Minister of Transport. Is it intended during this session of parliament to introduce legislation which would unify the National Harbours Board police with the Royal Canadian Mounted Police so that in the process the government could scheme to remove the term "royal" from the name of the Royal Canadian Mounted Police?

Hon. J. W. Pickersgill (Minister of Transport): There is not a vestige of truth in that suggestion, Mr. Speaker.

CANADIAN CONFEDERATION

REQUEST FOR CALLING OF NATIONAL CONFERENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in view of the series of statements being made in various provinces to the effect that this nation is a creation of the provinces, and that provinces have treaty rights and are sovereign entities, does the Prime Minister not now think the government of Canada should convene a confederation conference rather than leaving this matter in the hands of the provinces or in a vacuum? Will he reconsider his previous refusal to convene such a conference? Certainly the cocktail gathering on July 5 cannot take the place of a conference.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I could of course draw quite the

opposite conclusion from the incident to which my right hon. friend refers and suggest that if in a major province of Canada the attorney general and the premier of that province are on diametrically opposite sides on this matter, perhaps we should wait a little while before we have a conference.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, does not the Prime Minister consider that he has some responsibility to assure a reasonable degree of unity in this country?

Mr. Speaker: Order, please.

Mr. Diefenbaker: Mr. Speaker, do I have to submit to such a gratuitous observation on the part of the Prime Minister and have no opportunity of answering it?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I now wish to direct another question to the Prime Minister and ask whether it is his intention to allow the nationhood of Canada to be interpreted by various individuals across Canada, rather than have the national viewpoint given by a government that accepts some responsibility.

Mr. Pearson: Mr. Speaker, this is a free country and people can interpret things in their own way. But may I add, in view of what the right hon. gentleman said a few moments ago, that I always enjoy his gratuitous observations.

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Does not the Prime Minister think extreme viewpoints on opposite sides do more to divide this country than to unite it?

Mr. Speaker: Order, please. I am sure the hon. member for Ontario will agree that this question tends to be argumentative.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Has the date on which the budget will be presented to the house been decided, and if so, what is that date?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the answer to the first half of the question is yes, and the date will be announced tomorrow.

POST OFFICE DEPARTMENT

REQUEST FOR RETENTION OF PRESENT LIBRARY BOOK POSTAL RATE

On the orders of the day:

Mr. Reg Cantelon (Kindersley): Mr. Speaker, I have a question for the Postmaster General. I would like to ask the minister whether he has received a resolution from the Saskatchewan Library Association urging him to retain the library book postal rate at the present level.

Hon. Jean-Pierre Côté (Postmaster General): I think I have received it, Mr. Speaker.

Mr. Cantelon: A supplementary question, Mr. Speaker. As there seems something strange in governments assisting libraries on the one hand and putting difficulties in their way through raising postal rates on the other, I hope the minister will reconsider this decision.

Mr. Speaker: Order, please. That is not a question.

TRADE

PORK—INQUIRY AS TO REOPENING OF BRITISH MARKET

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to direct my question to the Minister of Trade and Commerce. Can the minister advise the house whether the British market has been reopened to Canadian pork and pork products?

Hon. Robert Winters (Minister of Trade and Commerce): Yes, Mr. Speaker. The announcement was made some time ago. Just to what extent the machinery has been fully implemented I am not aware at the moment, but I will be more precise at a later date.

Mr. Hales: A supplementary question, Mr. Speaker. Could the minister assure the house that his department is making every effort to break into this market?

Mr. Winters: Yes, sir.

Inquiries of the Ministry

[*Translation*]

AGRICULTURE

MEETINGS OF MINISTERS WITH DELEGATION OF FARMERS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the hon. Minister of Forestry and Rural Development.

Does the minister intend to speak again some time this afternoon to the thousands of farmers now assembled on parliament hill?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr Speaker, at four o'clock the Minister of Agriculture (Mr. Greene) and myself are meeting the delegates of the three farm federations to resume the talks launched this morning.

Mr. Caouette: Mr. Speaker, that is not what I meant by my question. I know he is meeting the representatives of the farm federations later on this afternoon, but does he intend to speak again to the farmers who are on parliament hill?

Mr. Sauvé: Mr. Speaker, we had agreed with representatives of the farm associations to hold a public meeting from 1.15 to 2.30. This meeting took place.

Mr. Caouette: Mr. Speaker, as a second supplementary question could the minister tell me why a representative of each political party was not invited this afternoon to give his opinions of the Canadian dairy industry to this crowd assembled in front of the parliament buildings?

Mr. Sauvé: The farmers have asked to meet the government, Mr. Speaker not the opposition.

Mr. Caouette: Mr. Speaker, I wish to put a third and last supplementary question.

Is the minister sure that the farmers simply wanted to meet the government and that they did not want to meet the members of parliament on parliament hill?

Mr. Speaker: Order. The question is out of order.

[*Later:*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a supplementary question to the hon. Minister of Forestry and Rural Development.

Can the minister tell us whether during the negotiations which will take place this afternoon at four o'clock, he will be authorized by the cabinet to negotiate with the farmers, and is he allowed a margin of negotiation in order to meet the demands of the farmers?

Mr. Speaker: Obviously, the question is out of order.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, may I put a supplementary question to the hon. Minister of Forestry and Rural Development.

In his opinion, do the farmers have a chance to receive $5.10 per hundredweight of milk?

Mr. Sauvé: The government will announce its policy in due time, Mr. Speaker.

Mr. Auguste Choquette (Lotbinière): A supplementary question, Mr. Speaker. Is the Minister of Forestry and Rural Development aware of the fact that several Créditistes organizers participated in this morning's demonstration?

Mr. Speaker: The question is out of order.

[*English*]

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, in the absence of the Minister of Agriculture may I direct my question to the acting minister and ask him whether the minister would say in the house that the statements made by the minister to the farm organizations outside the house today were factual.

Mr. Speaker: Order, please.

LABOUR RELATIONS

MARITIME UNIONS TRUSTEES—APPEARANCE BEFORE HOUSE COMMITTEE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Labour. I apologize for not sending him a written notice, but as the president of a farmers' organization I have been taking part in the farmers' march.

Would the minister inform the house whether it is his intention to ask the maritime union trustees to come before an appropriate committee to give a report at the soonest possible date?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, that will be for the committee to decide. If the committee makes such a request, I have the assurance of the chairman of the board of trustees that they will be pleased to attend.

HOUSE OF COMMONS

INABILITY OF MEMBERS TO ENTER CENTRE BLOCK

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, my question is more properly one of privilege. Although the time now is past three o'clock, a number of members of this house have been unable to get into the house because the doors of the centre block are locked at the back, the side and the front. I should like to ask the minister responsible for the policing of this place to at least make it possible for members of parliament to be in their places when the bell is rung.

SUPPLY

The house resumed from Tuesday, May 23, consideration of the motion of Mr. Sharp for committee of supply, and the amendment of Mr. Diefenbaker, and the amendment to the amendment of Mr. Lewis.

EXTERNAL AFFAIRS—FOREIGN POLICY

Hon. D. S. Harkness (Calgary North): Mr. Speaker, when speaking in this debate just before the house adjourned last night I had been dealing with the crisis in the Near East and had noted the fact that the precipitate order for the withdrawal of the UN force in the Gaza strip had severely injured the prestige of the UN and thereby decreased its ability to act as an effective instrument for the preservation or restoration of peace. I also noted that in my view it was essential that steps be taken, both in the short run and the long run, to restore and enlarge this prestige.

I had been dealing with the situation which had developed between Israel and its Arab neighbours. Since that time we have learned that the Soviet union has made quite a strong statement in effect supporting the Arab states, and the U.S. president, President Johnson, also made a strong statement in effect supporting the position of Israel, particularly in so far as its right to use the gulf of Aqaba and have free passage for its ships through there is concerned.

The threat of war breaking out between Israel and its Arab neighbours of course created a very dangerous situation and, as I noted yesterday, one which because of the geographical position of that area and the alliances involved could very readily spread and become a world conflict. The present threat of direct intervention by the Russians on one side and the Americans on the other creates a situation which could and would be catastrophic, I think. Certainly I would hope that in the UN security council, which has been meeting this morning and is to meet again this afternoon, it will be possible to arrive at a meeting of minds between the Russians on the one hand and the Americans and the western countries on the other hand with regard to preventing the threatened conflagration and leading to an agreement between these two super powers, Russia and the U.S., that they will not engage their own forces directly on one side or the other.

The threat of involvement by these two nations, particularly the active involvement of the U.S. in a fighting role, is of course something which I think all the western world must look upon as extremely serious from their own point of view, especially as at the present time the United States has committed such a large proportion of its forces to the Far East that its active involvement in the crisis in the Middle East would I think create an extraordinarily difficult and awkward situation for all the western countries, and a very dangerous one for the whole world. It seems to me that the UN security council, of which both these countries are members, is the place where some agreement to contain this war should be reached, and particularly to ensure that neither of these great powers becomes involved in it in a fighting way.

We also learned last night, through the papers at least, that in order to enforce the blockade of the gulf of Aqaba which had been declared the U.A.R. had already sown mines, and it had been intimated that they had taken other measures to ensure that Israeli ships or ships carrying strategic materials to the Israeli port of Eilath would not be allowed to pass through. Of course this creates a situation where any attempt on the part of an Israeli ship to go through that gulf is very likely to start a shooting war. Under these circumstances I would hope very much that the state of Israel would not attempt to force or break this blockade immediately. There is no doubt that what is required at the present is time to try to get this matter resolved and a peaceful settlement made. Therefore I hope the Canadian government and other governments will exert what pressure they can on Israel not to try to force this issue immediately, because of the very grave threat such action would carry of the outbreak of a general conflagration in that area.

Foreign Policy

• (3:10 p.m.)

Last night I started to say something about the long term measures, which I think are essential, which the UN and its member countries should take in order to make it a more effective peace keeping organization and restore its prestige. The first one I noted was that it must work to get rid of some of the basic causes of conflict that I mentioned, particularly the existence of more than a million Palestinian refugees who are in the Gaza Strip, Jordan, Syria and Lebanon. There refugees constitute a possible source of fighting and difficulty between the Arab countries and the state of Israel. This is only one of what I might term the basic possible causes of conflict and one of the things which could produce a situation likely to lead to war.

I believe the United Nations must be much more active in attempting to resolve this problem which has been in existence since 1956. The United Nations has really done nothing more than feed these people on a semi-starvation diet. This is not good enough. I believe that until these people are dispersed by means of emigration to other countries, by absorption into the Arab countries or the return of some of them to Israel, the extremely strong feelings of hatred which exist throughout these areas will continue and will be reinforced by the existence of these refugee camps.

Another of the steps that the United Nations must take in order to make it possible for that body to carry effectively on peace keeping activities and the solving of problems such as the one to which I have been referring is the settlement of the payment of the costs of activities along this line as well as the general costs of the United Nations. One of the reasons the United Nations has not been able to play nearly as effective a part as it could is the fact it has not been in a position to deal with the basic problem of finding the funds for these operations.

In so far as peace keeping operations are concerned, we know that certain countries have refused to pay their share of the costs. This is a problem the United Nations has always tended to avoid and has refused to have a showdown with regard to it. Although the United States is the subject of condemnation in many parts of the world, as well as in the United States and Canada, had it not been for the regular and special contributions made by that country the United Nations likely would have gone bankrupt and probably ceased to exist quite some time ago. This is not a problem which can continue to be swept under the rug. Something must be done about it if the United Nations is to be effective.

A third step which I think needs to be taken is to introduce a more effective voting procedure at the United Nations. As long as we have a situation in which a country like Cyprus with about half a million people and other countries with an even smaller number of people have the same vote as a country such as the U.S.S.R. with 200 million people and the United States with some 200 million or India with several hundred million, we have a completely unrealistic situation. I do not believe the United Nations can operate effectively in such a situation. There must be, therefore, a change in the voting procedure. There must be a weighted system of voting introduced into this body if it is going to continue to get support from the larger and more important nations. This is absolutely essential if the organization is to operate effectively.

I should like to say something about the withdrawal plans so far as the United Nations emergency force in the Gaza Strip is concerned. I must protest the fact that the Minister of National Defence (Mr. Hellyer) yesterday refused to give us any information whatever when questioned in the house with regard to these plans. However, he then made a television appearance last night and gave a considerable amount of information. He has to some extent repeated today in answer to questions what he said on television but has refused to give any further information. On the basis of past experience I expect he will be appearing on television again to announce what is going to be done. This is a direct affront to the House of Commons. In view of the situation existing in the world today, I do not wish to introduce any partisan bickering or anything along those lines, but certainly information of this kind should be given in the House of Commons, not refused here and then given over television. I hope that the proper course will be followed in the future.

• (3:20 p.m.)

I should like to point out to the Minister of National Defence and to the Prime Minister (Mr. Pearson) that there is a very natural concern on the part of all Canadians with regard to the situation of our troops in the Gaza Strip and what arrangements have been made to get them out, particularly if a conflagration should start there. This concern is felt particularly, of course, by the relatives of

these people, some of whom I know are extremely anxious. Therefore I believe it is the responsibility of the government to make public its plans for the withdrawal of our troops from the Gaza Strip. I do not believe it is good enough for the Minister of National Defence to say he does not think it would be wise to release the contingency plans. The point is there are several thousand relatives of the men who are stationed there who are very anxious about the situation and they have a right to know what arrangements have been made for the withdrawal of these men. In addition to the people directly concerned, to a lesser extent all Canadians are concerned. I understand the Prime Minister is going to speak later today, so I hope he will give some information about this matter and allay some of the fears which exist amongst the relatives of these men.

I do not know just what the minister meant by the statement he made on television last night that the contingency plans involve possible withdrawal by sea, by land and by air. Having been in that part of the world and spent some time there in the Rafa camp and at El Arish, I know there are only three ways in which troops can be withdrawn from there. The first means is by air from El Arish airfield, the only available airfield. The second means is by sea by very light draft vessels because only such vessels can get into the small fishing port of Gaza. The third means would be by road to Suez and Cairo. Another possible alternative, I suppose, would be by reopening the road from the Gaza Strip into Israel, but I do not believe that is a practical proposition with the two sides facing each other there.

These are the only ways in which you can get people out of the Gaza Strip. What arrangements may have been made with the Egyptians concerning the withdrawal of people by road to Suez and Cairo airport I do not know, but we should be given information. The answer the minister gave yesterday left the situation concerning the use of the El Arish airfield very much in doubt. From his answer I do not know whether we could still use that airfield. The minister said that he did not know whether the last Canadian aircraft had left there. If that airfield is not available we shall be reduced to two means of evacuation from that area.

Before finishing I wish to say something briefly about Viet Nam. On the face of it the N.D.P. amendment looks innocuous but I do not think there is any question that the intention—and it should be taken this way—is to condemn the United States presence in Viet Nam and condemn the United States bombing of Viet Nam. The amendment calls on the United States to withdraw unilaterally from that activity.

I do not think that the passage of such an amendment in this house would do any good and it might do considerable harm. First, it would do no good because it would have no effect on the policy which the United States government might follow. Second, it might cause considerable resentment on the part of some members of the United States government and it might make it more difficult for us to exert useful pressure on that government. Third, such a motion would aid and comfort the government of North Viet Nam and the Viet Cong, leading them to believe that the United States will be forced to succumb to pressure to stop the bombing and to withdraw.

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

Mr. Harkness: In just a moment. In my view the passage of such an amendment would more likely prolong the unfortunate situation in Viet Nam than end it. Would the hon. member ask his question now?

Mr. Brewin: Would the hon. member not wish to comment on what the right hon. Leader of the Opposition said during this debate, that we should ask for the bombing to cease. Does the hon. member not think that that request, too, would have the ill effects of which he has spoken as the consequence of passing the subamendment?

Mr. Harkness: My personal view is that the cessation of bombing should go hand in hand with the withdrawal of North Vietnamese troops from South Viet Nam. That should be done as a matter of agreement. If anything like that could be accomplished we should all be in favour of it. I do not think that a demand on the United States unilaterally to withdraw its troops would serve the cause of peace. I disagree with any such resolution.

Mr. Martin (Timmins): Would the hon. member permit a question?

Mr. Harkness: In just a moment. Many who violently condemn the United States action and presence in Viet Nam presume that the United States is there because of selfish, immoral or imperialistic purposes, and on that

basis they condemn not only the United States presence but everything she does. In my view there is no basis for this attitude. The United States is trying to preserve democratic government in South Viet Nam and has no selfish interests, apart from her interest in containing the general spread of communism. Those who condemn the United States in such strong terms never mention that she was asked by the South Vietnamese government to assist in the struggle against the Viet Cong and North Viet Nam.

I was glad to see that yesterday the hon. member for Greenwood did not presume that the United States was in Viet Nam for selfish, immoral or imperialistic purposes. He gave the United States credit for good intentions but said he believed the United States was following a course which would lead to disaster. There were, he said, differences of opinion. This, I think, is correct. Every party in the house harbours persons with different opinions about the situation in Viet Nam and about the best course to be followed. The President of the Privy Council (Mr. Gordon) showed by his speech that he has his own opinion. These are all honest differences. But I do not think that those who believe that immediately the United States stops the bombing the problem in Viet Nam will be solved have any more information to rely on than have others who think differently.

Mr. Martin (Timmins): Would the hon. member permit a question?

Mr. Harkness: As soon as I have finished I shall be glad to answer the question.

Mr. Speaker: Order, please. The hon. member for Calgary North has the floor.

Mr. Harkness: Those who believe that ending the bombing will immediately solve the problem have no more information to rely on or basis for their belief than have those who believe the opposite. I am certain that those advocating such a cessation have far less background information for their opinions than has the United States government which also has a responsibility in this matter. The United States is the supreme power in the western world and it is responsible for maintaining peace and containing communism. That being so, one ought to give the United States government credit for following its policies. Many think those policies are wrong. Personally I do not concur with everything the United States has done in Viet Nam and elsewhere. On the other hand, condemning the United States generally is neither a reasonable nor an effective way of restoring or maintaining peace. I would be glad to answer the hon. member's question.

Mr. Martin (Timmins): I wonder whether the hon. gentleman could tell us, from what he knows and from what he has studied, whether the United States bombing has increased or decreased the flow of troops from North Viet Nam to South Viet Nam?

Mr. Harkness: It is apparent, I think, that I have no direct knowledge in this regard. My general information is that the bombing has cut down what would have been a much larger flow of troops and supplies.

Mr. Speaker: The hon. member's time has now expired.

Mr. Diefenbaker: Mr. Speaker, on a question of privilege—

Mr. Speaker: Order, please. Before the Prime Minister takes the floor I understand that the Leader of the Opposition wishes to raise a question of privilege.

Mr. Diefenbaker: Mr. Speaker, the question of privilege must be raised at once. I am sorry that I have to come before the Prime Minister at this time but what I wish to say has to do with the conduct that was referred to a few moments ago by the hon. member for Qu'Appelle. This afternoon the doors of the parliament building were locked and the hon. member had to find his way in by indirect means. At 3.05 this afternoon the front and west doors were still locked, with the front doors being guarded by the R.C.M.P.

There is a long line-up of farmers outside the front door and it is strange they should be treated as though they were lawless individuals who endanger parliament. They have a right of public protest. Parliament does not belong to the government. After four years of indifference to the farmers this government closes them out.

Some hon. Members: Oh, oh.

• (3:30 p.m.)

Mr. Diefenbaker: It closes them out from parliament. These are not agitators. They are not lawless. They are entitled to be treated like other Canadians.

Right Hon. L. B. Pearson (Prime Minister): I am sure, Mr. Speaker, that you will wish to look into this question which was raised earlier this afternoon, as a matter of fact, by the hon. member for Qu'Appelle (Mr. Hamilton).

I am privileged to participate in this debate after the very thoughtful contribution which has just been made by the hon. gentleman who preceded me. My first remarks will be directed to the subject of Viet Nam, the tragedy of Viet Nam, because by implication it is the subject of the amendment and, explicitly, the subject of the subamendment.

In moving the subamendment the hon. member for York South (Mr. Lewis) said he thought the Leader of the Opposition (Mr. Diefenbaker) must have had a sense of humour to have introduced his amendment and then suggested it did not involve the matter of confidence. Obviously it is a reflection on the government and a criticism of the policy of the government. The hon. member for York South must have exactly the same sense of humour, because the subamendment he introduced is of precisely the same character. It represents a vote of non-confidence in the policy of the government on a matter of very great importance indeed. We do not propose at this time to accept this subamendment because it represents, as the hon. gentleman who has just preceded me pointed out, a one-sided approach to this problem. It deals with one aspect alone of that problem, though I agree it is an important one.

The view behind the subamendment is that we are not dealing with a case of aggression from the north, that in Viet Nam, as the hon. member put it yesterday, there is merely a civil war and that the United States had no right to be there from the beginning. In the hon. member's words—I took them from *Hansard* because I did not have the pleasure of hearing the whole of his interesting speech—"the world's mightiest power has intervened in a local situation". He went on to point out that Hanoi, on the other hand, had limited its activities in Viet Nam and had bombed nobody. On the basis of this statement and others he made he adjures us as follows: "Let us recognize these facts. What right has the United States to be there in that situation?" This, I believe, is the basis of his approach, and the approach of those who feel as he does.

I believe that the purposes and objectives of United States policy in Viet Nam were not aggression. I believe that the United States moved into Viet Nam in the first place to help South Viet Nam, at the invitation of the government of that country, to defend itself against military action and subversive terrorism aimed at preventing the people of that part of Viet Nam making their own decision as to their future development and political institutions rather than having one particular solution forced upon them under the guise of a liberation struggle conducted in the interests of a totalitarian communist régime in North Viet Nam which has not allowed and does not intend to allow its own people any choice as to their social, economic or political system.

Mr. Bundy, who played an important part in these matters in earlier days as adviser on foreign affairs to the president, has written these words:

> United States policy remains based on the continuing conviction that we should be ready to do our full share to help prevent the communists from taking south Viet Nam by force and terror.

We may not agree with this policy, but I think those words are a rational explanation of the policy followed by men in the United States who are men of good will and as peace loving as we are. I can understand their position in this regard. That does not mean a government in Canada has to support or approve all the measures taken or all the measures adopted by the United States forces in Viet Nam, let alone by the governments in Saigon—and remember there have been more governments than one—in achieving their purposes. And on occasions when I have felt it necessary to speak publicly and not confine myself to diplomacy—I do not care very much for the phrase "quiet diplomacy"; if diplomacy is to be any good it is bound to be quiet—I have made this clear.

I have spoken publicly when I felt it was necessary to do so and might be of some value. Two years ago in Philadelphia I proposed a pause in the bombing for what I thought would be a helpful purpose, and later I think I was the only head of a western government who publicly regretted the resumption of bombing. I still regret it. I think it was a great mistake on the part of the United States administration at that time to resume the bombing in the circumstances in which it was resumed. But this does not mean and will not mean, in present circumstances at least, that we should join that chorus which has denounced the Untied States for being in Viet Nam at all. That is a different matter.

If this is our position I do not think we will accomplish anything constructive by accusing the United States of sole guilt and sole blame for what has happened in that country and by doing so try to impose a kind of moral sanction against the United States. It seems to me

that anyone in the position of governmental responsibility—and I am certainly in that position—who adopted those tactics would by doing so cut or certainly weaken the lines of official communication between Ottawa and Washington on this subject and I cannot think any useful purpose would be achieved by doing that, especially if we felt we could use those lines of communication to give good advice to our friends. Yet to accept this careful and constructive course and reject more exciting courses of word and action means, obviously, that we will be sneered at by some who consider us to be a satellite or a lap-dog or some unpleasant animal because we are not willing to get up on a public platform and condemn the United States in a way which those who criticize us most harshly do not condemn the communist side.

Some hon. Members: Hear, hear.

Mr. Pearson: Because we take this attitude we are accused of political immorality and of being faint-hearted in the cause of peace. I can accept that accusation with equanimity as long as I feel I am following the right course.

Some hon. Members: Hear, hear.

• (3:40 p.m.)

Mr. Diefenbaker: I wonder whether the Prime Minister will allow me a question. I have to say in prelude to the question that I agree entirely it is not a one-way street and that the condemnation of the Americans as aggressors is entirely unjustified. But using that as a principle, can the Prime Minister not go along with the statement made yesterday by His Holiness the Pope calling for an end to the bombing by the United States, fortifying as it did U Thant's statement that a continuation would be dangerous to world peace?

Mr. Pearson: Yes, Mr. Speaker, I go along 100 per cent with the statement made by His Holiness the Pope yesterday, because it is a statement which has been made on this side in the House of Commons, and outside it, when we previously advocated bringing an end to the bombing and, associated with that, an end to the infiltration of troops from the north into the south.

Some hon. Members: Hear, hear.

Mr. Pearson: This is not a one-sided matter. There can be very honest, sincere, and indeed emotional differences of opinion on it. Last night I was looking over the record of the negotiation offers that had been made in the last two or two and a half years, each one of which had been rejected by the government in Hanoi and accepted by the government in Washington. I am leaving out of these offers those made by the United States government itself.

These were offers made by the United Kingdom on February 20, 1965, by the 17 non-aligned nations on April 1, 1965, by the government of India, by the Prime Ministers of the Commonwealth—and I was one of them who initiated a plan for a special mission to visit the capitals of the countries involved to explore the circumstances in which a conference might be held to end the fighting, and which was rejected by Hanoi and by Peking—by the British foreign secretary's proposal made in Moscow on December 2, 1965, by the proposal made by Pope Paul VI on December 19, 1965, by the proposal made by the Secretary General in April, 1966 and again in August 1966, when he first suggested his three-point plan as the basis for a negotiated settlement, including the cessation of the bombing of North Viet Nam, the scaling down of all military activities by all sides in Viet Nam, and the willingness to enter into discussions with those actually fighting; by the offer made by the Prime Minister of India on July 7, 1966, which was a detailed proposal for negotiations within the framework of the Geneva agreements and included a proposal to reconvene the Geneva conference.

Mr. Lewis: Did I understand the Prime Minister to say Washington accepted U Thant's three-point proposal, including the cessation of bombing?

Mr. Pearson: That is my information because the cessation of bombing was linked with the general talks, and that was repeated by the Secretary General later on December 30, 1966.

On October 24, 1966, the United Arab Republic, India and Yugoslavia issued a communique with a proposal for measures to bring about a negotiated settlement. On December 8, 1966 Pope Paul made another proposal. The British foreign secretary made one on December 30, 1966, as did the Secretary General again on that day; and on March 14, 1967, the Secretary General made a further proposal, as my hon. friend knows, providing for general talks preliminary to the reconvening of the Geneva conference. In addition there were the two temporary cessations of bombing by the United States, but in all these cases where these proposals were made, and I repeat they were not made by Americans, they were not acceptable to the government

in Hanoi. This does not mean that we should not try to find some proposal that is acceptable to all parties, and of course we will continue to strive to do that.

The other day I read an editorial in a very influential Washington newspaper, the Washington *Star*. I believe it was in the edition of May 18, and I would like to quote one or two paragraphs from that editorial. The editor of the Washington *Star* says:

> The time has come in the Star's opinion for the U.S.A. to stop bombing in North Viet Nam. We say this without the slightest apology for the administration's conduct of the war up to now. The decision to start bombing was necessary and right. An aggressor cannot be permitted to take for granted his security at home while he wages war on his neighbours. The policy of the careful escalation of bombing subject to tight restrictions on the choice of targets seemed likely to bring Hanoi to its senses and has had our full support. But—

The editorial goes on:

> —every military strategy must be subject to constant review and reappraisal. It is necessary to weigh the gains against the risks, to ask whether hoped-for results are in fact being achieved. It is necessary to watch for the moment where a change of strategy may produce a greater gain at a decreased risk. That moment has arrived. We should say nothing, explain nothing, set no conditions or limitations on our switch of strategy. We should simply stop bombing and see what the enemy does.

Mr. Lewis: Hear, hear.

Mr. Pearson: This is a position taken by one American newspaper, and it is a position taken by a great many Americans—

Mr. Diefenbaker: The New York *Times* is the same.

Mr. Pearson: —including most recently a very prominent United States senator. Mr. Speaker, I am sure that the administration in Washington is giving very careful consideration to this idea which has been repeated in recent weeks by many inside the United States.

I do not think, however, that the adoption of the subamendment by this house, by a parliament outside the United States, would serve the purpose that we have in mind of bringing this war to an end. It is a type of amendment which has not been dealt with by any other parliament friendly to the United States that I know of, and I do not think this kind of amendment would serve the purpose we have in mind.

Some hon. Members: Hear, hear.

Mr. Pearson: Indeed, if we begin to give this kind of formal parliamentary advice from outside the United States it might conceivably have the opposite effect. I also think, Mr. Speaker, we should be careful not to put our hopes so high in regard to the abandonment of the bombing of North Viet Nam that we are likely to run into disillusionment if that should take place and fail. I myself would not attach excessive expectations to peace and a negotiated settlement if the bombing should end tomorrow.

We might as we have in the past—by "we" I mean the western countries, the friends of the United States—well run up against what has been encountered before, namely, escalation of demand on the other side. So I think it might be desirable to find out what the reaction in Hanoi would be to an immediate and unconditional end to the bombing of the north. Would they stop fighting and begin talking and, if they refused or attached a new condition, would the danger of massive escalation be increased? This is another factor we have to take into consideration. These are the reasons, Mr. Speaker, why we on this side of the house cannot support the subamendment which is, of course, a motion of no confidence in the government.

Now I want to come to the other matter which has been engaging us, and rightly so, in this debate—the situation in the Middle East, in Palestine, the seriousness of which certainly cannot be exaggerated. As my right hon. friend said yesterday, and I am paraphrasing his words, it is hard to imagine getting closer to catastrophe than in the way we seem to have been drifting in the last day or two. I, as have other members of the house, have had some connection with this situation for a good many years, in fact since I first went down to the United Nations at the end of the war when the state of Palestine was established by United Nations action.

• (3:50 p.m.)

The basic issue in this situation it seems to me, as has already been mentioned in this debate, is the recognition of Israel's right to live in peace and security. The rejection and repudiation of that basic right has been over the years and is now a source of our danger. It is not the immediate manifestation of that danger but it certainly is a source of it. So long as Israel's neighbours, or some of them, refuse to recognize the right of Israel to exist as a state, then we move from one crisis to another. We already have moved from one to another over the last 10 or 15 years. Israel, of course, also has the basic obligation, which I

am sure she accepts, to live without provocation and threat to her neighbours and in accord with the United Nations decisions which gave her birth. This is the continuing issue.

There is, however, an immediate crisis arising fundamentally out of this issue which now threatens war. I am perhaps repeating the obvious but the danger point it seems to me, and perhaps the most dangerous point, is the situation in Sharm el Sheikh. The troops of the United Arab Republic now control this port in the Gulf of Aqaba. In 1957 we spent days and nights arguing about this particular aspect of the settlement which it was hoped would have been reached at least in accord with the withdrawal of the Israeli troops from the ground they had conquered. They made it quite clear at that time that they visualized a package deal by which, in return for withdrawing from vital strategic points, and especially from Sharm el Sheikh, they would be protected against action from those areas, and particularly this point, which would prejudice and destroy their own national interest. They undoubtedly feel they have a commitment to that effect.

We need not go into the legal situation. Perhaps it should be sent to the international Court of Justice for judgment, but before the International Court of Justice could render a judgment many things would have to be done to avoid trouble because the Gulf of Aqaba now is of vital importance to the existence of the state of Israel. From 90 to 92 per cent of her oil goes past the strait of Tiran and into the gulf to the port of Elath. That certainly is one very dangerous point.

The second dangerous point is the Gaza Strip which now has been taken over by what is called the Palestine Liberation Army, a part of the force of the United Arab Republic. This army is composed of men devoted, and fanatically and sincerely devoted, to what they believe to be the liberation of their homeland. They are there now in the Gaza strip with 300,000 Palestinian refugees. If there could be a more explosive situation than that, I do not know what it could be.

The third point is the Syrian border which has been the scene of terrorist incidents and activities in recent weeks and which perhaps has been the occasion for the development of the recent crisis, which can explode at any minute. The fourth danger point is the possibility of excessive reaction or retaliation by land, water or air against provocations or terrorist incidents.

[Mr. Pearson.]

The feeling of some of the people on the spot is, "Let's force this issue and have it over." That can be just as dangerous as the development of the other three points I have mentioned—the temptation, if you like, to pre-emptive a war. There is another danger, the danger of expanding this conflict if it takes place and if the United Nations is not able to limit it as it was earlier. There is the danger of the United States lining up behind one party and the U.S.S.R. lining up behind the other party. I cannot imagine a more frightening danger than that because, without the United Nations intervention, that could turn what might be a local conflict into a global tragedy.

Behind all the dangers we notice now, from press, radio and television reports, the danger of inflammatory statements and attitudes—the war of the air waves, the demonstrations, people marching down the street shouting, "We want war". These are the poor deluded people who would be the first to suffer from war. A leader in that part of the world is reported as having said the day before yesterday, "They threaten us with war; our answer is, we welcome war".

All this adds up to a terrifying situation. So what do we do about it? We all have our responsibilities as members of the United Nations. We have decided, as the Secretary of State for External Affairs (Mr. Martin) mentioned yesterday, that we will try to discharge our responsibility by getting this matter before the security council of the United Nations as quickly as possible. Yesterday the members of the council from Canada and Denmark asked for the convening of the security council. That meeting is taking place today.

Whenever this world gets into trouble, where does it go? It goes to the United Nations. The worse the trouble, the more important the United Nations becomes and as soon as the trouble is settled or put aside for the time being by the United Nations, it is then forgotten and everybody falls back on their own nationalist pride, privileges, fears and hatreds. But at the moment we all say, "Let the United Nations take over". I do not know of anything else which could do it better, unless we had a conference of the four great powers. If they could work together, that would be equally effective and more effective if they worked through the security council in doing it.

Our ambassador to the United Nations in dealing with this matter this morning had this to say:

In calling this Security Council meeting we are suggesting that council should exercise its responsibilities under the charter to deal with the kind of threatening situation which the Secretary General has not only reported to the Security Council, but has regarded as sufficiently serious to assume the responsibility for undertaking a personal mission to the area.

The situation as the Secretary General rightly reported to the council has shown signs of "increasingly dangerous deterioration" for some time.

Tension also grew as a result of terroristic and sabotage activities on the borders of Israel and Syria and the Secretary General reported that the functions and resources of UNTSO had not enabled that organization to arrest these activities.

In recent days there have been statements by the President of the U.A.R. and the Prime Minister of Israel which face us with the danger of direct confrontation between the U.A.R. and Israel over the question of access to the Gulf of Aqaba.

In face of this rising and dangerous state of tension means of bringing influences of moderation to bear in areas through U.N. far from having been increased have been decreased at the very moment of crisis by withdrawal of UNEF.

The principal means to balance this deteriorating situation through the U.N. has been the mission of the Secretary General himself.

I believe at this stage the most useful contribution which this council can make to this grave situation is to reinforce the current efforts being made by the Secretary General to preserve peace in the area. This is the purpose of what we are suggesting the council should do. We should at the same time urge that no member state of the U.N. take any action which would either prejudice the success of the Secretary General's mission or worsen the situation.

In the face of grave facts, in the face of the mounting threat and *fait accompli*, how can the international community discharge its collective duty unless the moral influence of the Security Council, which is charged under Article 24 of the charter with primary responsibility for the maintenance of international peace and security precisely "to ensure prompt and effective action"—and I underline these words—is brought to bear upon the seriously deteriorating situation in the Middle East?

This, in sum, is the aim of our initiative. Canada is a friend of all the nations of the area and has always striven to help by whatever means we can to maintain peace and stability in the area, and to assist those in trouble and distress. What we now ask is that the Security Council, and in particular all of its permanent members who bear special responsibility, add the weight of its influence collectively by asking that no member of the United Nations take any action which would worsen the situation and to jeopardize the efforts of the Secretary General to preserve the peace. This is what we ask the Security Council to do at this stage; we believe it can do no less.

• (4:00 p.m.)

I hope that in due course it will be able to do more. Certainly at the present time the important thing is to do nothing to exacerbate the situation, and that applies, as my right hon. friend suggests, to the government of Israel which should be very careful about unnecessarily running any so called blockade if that would provoke the kind of retaliation which might have overriding results.

Mr. Diefenbaker: Mr. Speaker, would the Prime Minister allow a question? In view of the admonition uttered by the representative of Canada at the security council yesterday, is it a fact that the United States, through its ambassador designate Richard Nolte, advised the Egyptian foreign minister Mohammed Riad that Egypt should be warned that the United States will use force if necessary to hold open the Gulf of Aqaba for Israeli shipping, or is that statement merely one of speculation?

Mr. Pearson: I cannot confirm that, and so far as I am concerned it is speculation. At this time only the United States could confirm the authenticity or otherwise of that story. I know that individual governments feel that they have their own special responsibilities and commitments, but I would hope that all these will be made secondary to the greatest commitment of all today, their duty as members of the United Nations security council. This will, of course, require moderation, tolerance and patience on the part of everybody concerned.

Mr. Diefenbaker: Mr. Speaker, in view of the fact that each of the five major powers has the power of veto, has there been any indication that the U.S.S.R. is viewing this matter through the eyes of the Prime Minister in the way he has indicated in his statements today?

Mr. Pearson: I certainly hope that to be the case and that they will work with the other permanent members of the security council. As my right hon. friend knows, there has already been a proposal made that these powers meet as a committee, and it would be very helpful if that could be done. As soon as that meeting takes place I hope it will be possible to bring other activities within the ambit of the United Nations security council.

Having regard to the situation that we face in the security council, our ambassador and the ambassador of Denmark have moved or are about to move in the security council in New York the following proposal, that the security council, having been seized with the current situation in the Middle East, express

full support for the efforts of the Secretary General to pacify the situation and request all states to refrain from any step which might worsen the situation, and invite the Secretary General to report to the security council upon his return so that the security council may continue its consideration of the matter. I hope a resolution of this kind will be accepted by the members of the security council and that it will at least hold the line for the time being. Nothing can be more important than that. There will have to be subsequent steps, but I often wonder why, as the result of these critical situations in respect of which we find ways and means of avoiding open conflict, we cannot go one step forward and find a continuing solution to those things which brought about the conflict in the first place. That is something for the future.

There are things which we can do in the United Nations in the immediate future. This has been a great blow in one sense to our peace keeping ideas and hopes. However, peace keeping itself becomes more important than ever in the light of what has happened in the last three or four days. If the United Nations emergency force had not been withdrawn this situation might not have developed. The lesson to be learned from that is that when we send these United Nations peace keeping forces into these difficult areas we must do our best to make sure they have the foundation on which to act and that their work cannot be sabotaged except on order from the United Nations agency which sent them there.

This did not happen in respect of this United Nations emergency force. I remember very well the background, and I am not being critical of the Secretary General because I have no doubt that on an examination of the documents one would come to the conclusion that what he did was right in terms of the documentary evidence. There was a special arrangement made between Mr. Hammarskjold and President Nasser. I objected to that arrangement at the time because I thought it might cause a lot of trouble in the future.

At that time we did not follow this preferable course because we had to get these people over there quickly in view of the fact the war was going on, and if by this kind of an agreement, very fuzzy in its language—Mr. Hammarskjold was a past master in this regard—the U.A.R. would accept this force, we thought we had better not go into the legalistic details too closely but get our troops on the spot.

[Mr. Pearson.]

This force was there for over ten years under this arrangement. This situation does not apply to Cyprus because we have a security council resolution as a basis for authority in that regard. What we have to do now is not weaken in our pursuit of peace keeping under the United Nations but strengthen our activities to obtain better peace keeping arrangements. I do not think there is any possibility of reviving this United Nations emergency force which certainly served gallantly for ten and a half years and has earned the gratitude of all the nations of the world. All the Canadians in that force have earned our gratitude over the last ten and a half years.

There is United Nations machinery available, as the Secretary of State for External Affairs said yesterday, including the United Nations truce supervisory organization and the four mixed armistice commissions, three of which are operating on the borders of Jordan and Lebanon and in Cyprus. The fourth has not been operating in respect of the United Arab Republic partly because it was not needed so much there in that the UNEF was located there, and partly because the Israeli government did not recognize its activities.

We can use this machinery in the hope that we can get the United Nations presence back into that area. What we and all the peace loving governments must do today is try to keep that blue flag flying between possible combatants. If we can do that we will have accomplished a great deal, even though the force may not be armed with the heaviest and most modern weapons available. I am not sure this would preserve the peace in the present circumstances but I think it would help, and I hope the security council will be able to take this first step by passing this first resolution. We are not sure of that but we hope we will be able to move further and at least consider this United Nations machinery which will do this job in perhaps a different way, by patrolling the boundaries and keeping the combatants from fighting each other.

In the meantime we are facing a dangerous and critical situation from hour to hour and we can only hope that no one in any country directly concerned, irrespective of the emotions of the moment or what might seem to be the possibility of emotion, will do anything or say anything which will start off what is bound to be a bloody war in that area and what might be a bloody war in a much greater area.

Mr. Harkness: Mr. Speaker, will the Prime Minister answer a question? Is he prepared to say something now about the plans for the withdrawal of our Canadian troops in the Gaza Strip?

Mr. Pearson: I have discussed this matter with the Minister of National Defence (Mr. Hellyer) who yesterday mentioned two sets of plans. There is the United Nations plan, which is a very carefully prepared plan for the evacuation of all members of the United Nations force. So far as we know, the United Nations authorities think that plan will be adequate, provided of course that the roof does not fall in.

• (4:10 p.m.)

Mr. Harkness: This is the trouble.

Mr. Pearson: That is the trouble, but they are very much aware of it and as a matter of urgency they are trying to bring their plans into line with that possibility. Meanwhile, as the Minister of National Defence has said, we have moved three ships in that direction and have worked out an emergency plan which we hope and believe will take care of our people. I hope that as soon as it is possible the Minister of National Defence will be able to give the house all the details in that regard.

Mr. Nesbitt: Mr. Speaker, I wonder whether the Prime Minister would permit one brief question. Could he give us any idea, or does he have any suggestions, as to why the Egyptian government has taken this action at this particular time.

Mr. Pearson: I have my own views that I would be very glad to discuss with my hon. friend, who I hope would be very interested in my views as I would be in his. But I do not think I should discuss them in public; they are just speculative on my part.

Mr. Douglas: Mr. Speaker, would the Prime Minister answer a question before he sits down? Do I take it from the Prime Minister's remark that the position the Canadian representative on the security council will take is that all nations, including Israel, should have free access to the Gulf of Aqaba as an international water and that no nation, Egypt or any other, should have the right to blockade or block access to a free port?

Mr. Pearson: We believe that under international law, and especially since the convention was passed in the United Nations in 1952, I think, or 1953, these are international waters and the ships of all nations have access to them and passage through them. There are a good many cases of international law dealing with this matter. This particular United Nations treaty, however, has not been signed by the U.A.R. and the government of the U.A.R. has not admitted the contention that they are international waters. But we certainly think so, as do most countries in the world.

Mr. Speaker: Order. It being four fifteen o'clock it is my duty, pursuant to special order made Tuesday, May 16, 1967, 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. Lewis) which was negatived on the following division:

• (4:20 p.m.)

YEAS

Messrs:

Asselin (Charlevoix)
Barnett
Brand
Brewin
Chatterton
Danforth
Diefenbaker
Douglas
Fairweather
Grafftey
Hales
Hamilton
Herridge
Howe (Hamilton-South)
Irvine
Knowles
Lewis
MacInnis (Mrs.) (Vancouver-Kingsway)
McCleave
McKinley
McQuaid
Martin (Timmins)
Mather
Monteith
Nasserden
Nugent
Peters
Rapp
Régimbal
Saltsman
Simpson
Starr
Thomas (Middlesex West)
Winch—34.

NAYS

Messrs:

Aiken
Alkenbrack
Allard
Allmand
Andras
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Béchard
Beer
Bell (Carleton)
Berger
Bigg
Blouin
Boulanger
Bower
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cantelon
Cantin
Cashin
Chatwood
Choquette
Churchill
Clermont
Comtois
Côté (Longueuil)
Côté (Nicolet-Yamaska)
Cowan
Crossman
Deachman
Dinsdale
Drury
Dubé
Duquet
Émard
Ethier
Fane
Faulkner
Flemming
Forest
Gauthier
Godin
Grégoire
Guay
Habel
Harkness

Division

Harley
Hellyer
Honey
Howe (Wellington-Huron)
Hymmen
Isabelle
Jamieson
Johnston
Jorgenson
Klein
Lachance
Laflamme
Langlois (Chicoutimi)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard
Lind
Loiselle
Loney
Macdonald (Rosedale)
Mackasey
MacLean (Queens)
Macquarrie
MacRae
McIlraith
McIntosh
McLean (Charlotte)
McNulty
McWilliam
Madill
Mandziuk
Marchand
Martin (Essex East)
Matte
Mongrain
More
Morison
Muir (Lisgar)
Munro
Neveu
Noble
O'Keefe
Orange
Otto
Pascoe
Pearson
Pennell
Pilon
Prud'homme
Racine
Reid
Richard
Robichaud
Rochon
Rock
Ryan
Sharp
Simard
Smith
Southam
Stafford
Stanbury
Stefanson
Tardif
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Tucker
Turner
Wahn
Walker
Webb
Whelan
Winkler
Winters
Yanakis—128.

• (4:40 p.m.)

Mr. Speaker: I declare the amendment to the amendment lost.

Mr. Nicholson: I was paired. Had I been free to vote I would have voted against the subamendment.

Mr. Brown: I was paired. Had I voted I would have voted against the amendment to the amendment.

Mr. Hopkins: I was paired. Had I voted I would have voted against the amendment to the amendment.

Mr. Grills: I was paired with the hon. member for Norfolk (Mr. Roxburgh). Had I voted I would have voted against the amendment to the amendment.

Mr. Speaker: The question is on the amendment to the main motion. Is the house ready for the question?

Some hon. Members: Question.

[Mr. Speaker.]

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Asselin (Charlevoix)
Barnett
Bell (Carleton)
Bigg
Brand
Brewin
Cantelon
Chatterton
Churchill
Clancy
Danforth
Diefenbaker
Dinsdale
Douglas
Fairweather
Fane
Flemming
Grafftey
Hales
Hamilton
Harkness
Herridge
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Jorgenson
Knowles
Lewis
Loney
MacInnis (Mrs.) (Vancouver-Kingsway)
MacLean (Queens)
Macquarrie
MacRae
McCleave
McIntosh
McKinley
McQuaid
Madill
Mandziuk
Martin (Timmins)
Mather
Monteith
More
Muir (Lisgar)
Nasserden
Noble
Nugent
Pascoe
Peters
Rapp
Régimbal
Saltsman
Simpson
Southam
Starr
Stefanson
Thomas (Middlesex West)
Webb
Winch
Winkler—62.

NAYS

Messrs:

Allard
Allmand
Andras
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Béchard
Beer
Berger
Blouin
Boulanger
Byrne
Cadieux (Terrebonne)
Cantin
Cashin
Chatwood
Choquette
Clermont
Comtois
Côté (Longueuil)
Côté (Nicolet-Yamaska)
Cowan
Crossman
Deachman
Drury
Dubé
Duquet
Émard
Ethier
Faulkner
Forest
Gauthier
Godin
Grégoire
Guay
Habel
Harley
Hellyer
Honey
Hymmen
Isabelle
Jamieson
Johnston
Klein
Lachance
Laflamme
Langlois (Chicoutimi)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard
Lind
Loiselle
Macdonald (Rosedale)
McIlraith
McLean (Charlotte)

McNulty
McWilliam
Marchand
Martin (Essex East)
Matte
Mongrain
Morison
Munro
Neveu
O'Keefe
Orange
Otto
Pearson
Pennell
Pilon
Prud'homme
Racine
Reid
Richard
Robichaud
Rochon
Rock
Ryan
Sharp
Simard
Stafford
Stanbury
Tardif
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Tucker
Turner
Wahn
Walker
Whelan
Winters
Yanakis—97.

• (4:50 p.m.)

Mr. Speaker: I declare the amendment lost.

Mr. Nicholson: I was paired. Had I voted I would have voted against the amendment.

Mr. Brown: I was paired. Had I voted I would have voted against the amendment.

Mr. Grills: I was paired with the hon. member for Norfolk (Mr. Roxburgh). Had I voted I would have voted in favour of the amendment.

Mr. Cameron (High Park): I was paired with the hon. member for Melville (Mr. Ormiston). Had I voted I would have voted against the amendment.

Mr. Smith: I was paired with the Minister of Forestry and Rural Development (Mr. Sauvé).

AGRICULTURE—PROBLEMS OF FARMERS

Mr. Arnold Peters (Timiskaming): Mr. Speaker, since this is a period during which grievances may be expressed I would like to call attention to a subject which was raised earlier by the 23,000 farmers who have come to Parliament Hill. I believe this is an important matter and I was surprised to learn there is apparently considerable resentment on the part of the farmers as to the hearing they were given. I listened carefully to the remarks which were made by the Minister of Forestry and Rural Development (Mr. Sauvé), who I felt was very rough with the people to whom he spoke. I also listened carefully to what was said by the Minister of Agriculture (Mr. Greene). To some extent I sympathize with one or two of the points he made.

When the Minister of Agriculture replied to the farmers' representations after considering the brief presented by their executive, he said he was often perturbed because representatives of some sections of the agricultural industry presented requests to parliament which were not necessarily in harmony with requests made by other segments of the industry. This is a legitimate point to make. It is my understanding that over the years it is not often a group of farmers has come to Ottawa pledged to seek a common goal which would result in a better deal for farmers as a whole.

I believe that the difficulties being encountered today by the dairy industry, though it is true they are in the forefront as a result of government policy, are only part of a larger problem which confronts our farmers, namely, that the prices they receive for the goods they sell are not enough to enable them to expand their enterprises and keep them up to date. The farmers to whom I spoke today were concerned not only with subsidies. They were concerned about the difficulty they encountered in raising sufficient money to turn their farms into economic units. They were concerned because the money they earned was insufficient to meet the costs of their operations.

Dairy farmers in my own area at the present time are having to spend from $500 to $1,500 on bulk coolers. This would represent a perfectly legitimate cost to the industry if the producers were receiving anything like the prices which consumers pay for their products. But this is not the case. Not long ago I was going over the books kept by my brother who runs a dairy farm in northern Ontario. He is a producer of fluid milk, selling about 70 per cent of his milk apart from his quota. Last year this milk went for manufacture and the government paid a subsidy in connection with it. This meant his price was somewhere in the five dollar range. This year the fluid milk price was $6.60 and the price of the milk sold for manufacture was $4.25, less delivery charges in each case. When the price was averaged out the milk was showing a return of approximately $4.50 or $4.60. The reason it is hard to calculate exactly is that there is a dairy requirement in the fluid milk quota which varies anywhere from 5 per cent to 15 per cent, and this is sold at a secondary price within the fluid milk market. This makes it difficult to calculate exactly what the total price is to the farmer.

• (5:00 p.m.)

If the farmers in my area were able to get $6.60 per hundredweight there is no question

that they would be able to afford the expansion which is necessary to retain the fluid milk market in the position it has occupied in the dairy industry. It would allow them to upgrade their milk, to put in bulk coolers and to handle their own depots if that is what they desire. The farmers in my area are good businessmen, and in the communities of New Liskeard, Haileybury and Cobalt they have their own dairy.

They found that in operating a fluid milk dairy in a fluid milk market they had to have the machinery to handle the secondary milk and the manufacturing milk. The farmers sold their manufacturing milk to the dairy, which established a quota. However, it was not long until this became a great cost to the dairy and the dairy fell weeks behind in its payments to the farmers. Before the farmers were able to arrange a sale of the dairy they themselves were carrying about a month's cost of the operation of the dairy in the form of non-payments from the dairy.

I raise this to point out that the problem is not only in the one field. It exists in a number of fields. When the farmer who is in the fluid milk field, receiving a fairly good price in that field, enters the manufacturing milk field a problem is immediately created. My brother is not a big farmer, but certainly the family has been in the dairy industry for quite a number of years. He is running a very effective and efficient operation, and in the manufacturing field he has about the maximum quota available to the manufacturing producer. In other words, his surplus runs somewhere about 300,000 pounds per year in the manufacturing field.

He has admitted, and I am sure most other farmers would agree, that farmers would be much better off if the milk price were $5 and they did not get the $6.60. If they could sell all their production at $5 the farmers would probably receive an increase in price of anywhere from 25 cents to 75 cents per hundredweight over what they are now getting on their total production.

The fact is that the federal government has got into the quota business in the manufacturing field. A producer of over 300,000 pounds is not a large producer. His stock would probably total about 25 cows, not a big dairy operation. Anything he had over that would be surplus to the manufacturing quota and would be sold on the market at $3.54.

Today the farmers are not only concerned about the dairy problem but about the overall farm problem as they see it. They are faced with a labour shortage. The cost of farm labour is very high. Farmers have received very little co-operation from the federal government to allow them to bring in people to work on their farms. However, there has been some immigration from places like Holland, and on occasion there has been migratory help from Mexico and other countries. In the main farm help has been accidentally secured and very temporary.

Many farmers get casual help off the street, workers who come in for a day and who want to get paid at the end of the day. After that the farmers do not see them again. Anyone who works on a farm knows that is not the kind of help that is required even in the emergency situation of harvesting production.

During the meeting in Ottawa today the farmers also talked about eggs, about the poultry problem and about potatoes. There were delegations present from New Brunswick, Nova Scotia and Prince Edward Island and from as far west as Alberta. The case they presented to the government is an industry problem. It is not confined to a specific part of farming but is a general farm problem.

The government has said that it is embarking on a program which will eliminate small farms and create economic units. It says that the farmers on these economic units will automatically be placed in a reasonable financial position. In my opinion this is not correct. It will again create a class of farmer who cannot make a living on the farm and we will reach a position where all farmers will be eliminated except those operating on large amalgamated or co-operative farms. This may be good enough in Russia, and it may be good enough for the Liberal party, but in my opinion it is not good enough for the members of the farm population of this nation who want to operate their own farms independently, with sufficient capital gain to take care of the expansion that is necessary and will continue to be necessary if they are to meet the commitments of the farm community toward the hungry people of our country.

I have suggested many times, although this is not accepted by the majority of farmers, that the only solution to the dairy problem will be the pooling of the total production of the dairy industry. The industry itself will have to be directed for the simple reason that the federal government will have to establish a marketing agency to dispose of dairy produce. The directing body will have to tell the manufacturing industry to produce skim milk

powder when it is needed for a certain market, and to manufacture cheese when it is specifically needed for another market. If that is done I believe that the people we have on the road selling farm produce will be able to compete in world markets and will be able to sell far more agricultural production than is now possible. The system we now have is creating shortages. We have cut off the small farmer, the guy who took a can of cream down to the dairy on the week end. We have cut off the man who had four or five cows and who wanted to get a farm but could not get a loan from the Farm Credit Corporation.

The Farm Credit Corporation will not lend money to someone who wants to enter farming. It will only lend to people who have so much collateral that they really do not need a loan from the corporation. We do not have the machinery to establish new farms. We do not assist the establishment of new farms unless we are certain they will be in a position to be economically self-sufficient. The Farm Credit Corporation will, like a bank, only lend money to someone who has more than enough collateral and good prospects.

The federal government must provide more money to allow for expansion. Many people have been writing to me complaining about this problem. I am sure I get a letter every week from someone who is not smart enough to realize that the federal government is not going to lend him money to go into farming. These letters say, "I was raised on a farm. My wife was raised on a farm. We moved into a city. We have been kicked around from job to job, from unemployment insurance office to unemployment insurance office, and now we want to go back and establish a farm. We know where there is a farm available for so many thousands of dollars which we believe would be suitable. We have talked to the people who have it and we think we could make a go of it. However, we have talked to the Farm Credit Corporation and to other lending agencies and they say no money is available for us to go into business."

Maybe these people would not make a go of it but, Mr. Speaker, they were raised on a farm and I say that those who have been raised on a farm have a pretty good idea of what farming is all about. They know you do not start at the top. They know you do not start with a registered herd of cattle in a nice big barn. They are well aware of the fact that it takes two generations, but they also are aware of the fact that if they work 15 or 16 hours a day and if the facilities are available and other criteria are met they have a good chance to make a living.

• (5:10 p.m.)

These are the type of people who came to Ottawa today. They did not come here only as dairy farmers or grain producers; they came here as farmers. I think it is about time this government decided how they can help these people if they want to help them. The hon. member for Qu'Appelle (Mr. Hamilton) is here. I believe he will remember that when he sat on the other side as minister of agriculture he had the idea—it certainly was an idea which I and many farmers across this country bought—that if we were to start a short range program this would not be satisfactory and that what we should have is a long term program which would meet the needs of the farm population and the industry involved. For this purpose we developed the program commonly known as ARDA.

I believe ARDA has accomplished many things. However, after listening to the Minister of Forestry and Rural Development, who is responsible for ARDA, speak to the farmers a few hours ago I wondered whether he really had read what we wanted to do when we set up ARDA. The political patronage which is going on in respect of ARDA is not what it was set up for. It was set up to be a long range program for the benefit of agriculture. It was not set up to give patronage to a few people in a few counties who may be friends of a few members or members collectively. I believe this is part of the problem. Most of us look to ARDA as a means to end some of the problems.

I heard the minister stand up and say that we were going to end the problem of those in the Ottawa valley who are almost hillbillies. These are the people who live on rocky farms where they must farm between the rocks. This is all right when you have a team of oxen and a total production of four or five acres, but how can you drive a tractor around those rocks? It was said that these farms would be made into units which would grow trees instead of rocks and weeds. What happened? Nothing happened; they are still there.

We have had some good schemes. We developed a scheme in the interlake area of Manitoba which is the biggest patronage organization I have ever seen. The government of Manitoba loves the government now in power in Ottawa because they have spread patronage in the interlake area. This area is

supposed to be a pattern, but if this is to be the pattern then I do not want anything to do with it. ARDA could be better than that. I understand there is not much difference between what has happened there and what has happened in the Lake St. John area. Do not forget that there were many farmers from the Lake St. John area here today. When they pound on the govenrment's door the government is too scared to let them in. These are not farmers from my area. They are farmers from the areas not far from the area of the minister who has done a great deal to stir them up. I believe there is something wrong with the government's attitude toward the farmer.

Mr. Choquette: Why do you say that when there are farmers in the gallery?

Mr. Peters: I do not know whether there are farmers in the gallery.

Mr. Choquette: Do not say the government did not let them in. They were let in.

Mr. Peters: Maybe they did. I certainly do not wish to emphasize that point because it is not the point I am making. The point I am attempting to make is that they came because they want to know what is happening. ARDA may be much more important than what they are here for. ARDA was intended to bring about the solution of a number of problems. It was not our intention that under ARDA the provincial governments would be able to use the money for handouts in various areas. I had expected that the federal government would have control over it. Exactly the same thing has happened in the Department of Industry. The provincial government gets control of the money and uses it for handouts. This does not solve the problem on a national scale.

These people who are here today are interested in a solution on a national scale. If the government does not face up to the need for a solution to the agricultural problem, the day will come when it will be in serious difficulty. Some of these people live on farms in which they have a $50,000 investment. At the end of the year they have a net profit of $500 or $600. They legitimately and properly come to parliament now for a solution to their problem. If a person were to run any other kind of a business with a $45,000 or $50,000 investment and a similar return, obviously he would be out of business in a short time. None of his creditors would carry him for the 30 days necessary to get stock on the shelves.

[Mr. Peters.]

This is the position in which we are placing the farmer.

We are lucky that for 20 years our farmers have been able to live off the depreciation which normally is allowed in a business. No farmers are putting away a depreciation allowance. I know people who live on farms and have never put anything back into those farms. I know this because I was in the second generation in that area. I know now, however, that farmers buy fertilizer by the carload because they find it is necessary to put back into the agricultural land some of the things which were taken out without any provision being made to replace them. It is difficult for them to do this with their current operating expenses.

It seems to me that the government should read some of the speeches which were made a few years ago. I can still remember the hon. member for Moose Jaw standing up in this house and telling the minister of agriculture of that day to get off his fat surplus and go out and sell wheat. I can remember when the government decided to do just that. They went to Poland, Czechoslovakia and finally to China. Eventually Russia came to us to buy wheat. In order to avoid any misunderstanding, I should say that I was not referring to the present member for Moose Jaw. I was referring to the member who preceded him, His Worship "Scoop" Lewry of that city. The fact is that the government sent out teams. The former minister of trade and commerce is remembered favourably by me because of the fact that he sent out teams to sell. They went out and sold. I really can see no difference between the situation then and the situation today in respect of the dairy industry and other farm commodities. This includes soybean producers, poultry producers, and others.

• (5:20 p.m.)

We can produce in this country and if we are going to have economic farm units we must produce to capacity; otherwise there will not be people on these farms and they will be idle. If we produce to capacity we can outstrip our ability to consume and we must get out into world markets and sell our produce.

It is surprising that a country of this size is importing millions of pounds of cheese, in fact almost as much as we sell. It was interesting to note that at a cheese party to which I was invited the other day about 40 different kinds of cheese were being served but only three of them were made in Canada. The first,

which could be sold internationally, was Oka. The second was Canadian cheddar of various grades, medium, mild and old, and there were fancy cheeses produced by Black Diamond and Kraft.

The Department of Agriculture has done nothing about the fact that we are buying more cheese than we are exporting. Obviously it would be possible for us to manufacture Camembert and other types of cheeses that are imported, just as we have manufactured various types of wine. These cheeses may have different names but I am sure we could find markets for them just as we have found world markets for Canadian cheddar.

As the world population increases and the demand for more food grows I am sure we can produce more products. We will then be able to lend other countries the money to purchase our products just as we did in respect of our wheat sales to Poland and Czechoslovakia. We heard a great deal of outcry from various people about lending money to communist countries to purchase our products, but I wonder how many of those same people today would advocate a discontinuance of this practice. After lending these people this money through the international exchange fund we found that at the end of the stated term the product had been sold.

My grievance is not mine particularly because I have no cattle on my farm and I do not farm it. It is the grievance of the 20,000 people who came here today from the immediate area and the other 20,000 who did not come. The government will have to call a federal-provincial conference with the farm organizations in order to outline honestly to the farmers what they ought to do. This conference should listen to the problems of the farmers, although obviously the farmers are going to ask for more than they expect and will be told they will get less than we could give them. In any event we must solve their problems before they become acute.

The agricultural industry is the backbone of the very fabric of our economy. Agricultural problems cannot be solved by subsidies or stop-gap payments such as the $200 per farmer because these are only temporary measures. A long range program must be developed as quickly as possible. A serious investigation of the ARDA program must be undertaken by the committee on agriculture, forestry and rural development this year. If we are to develop a long range program as a solution to the agricultural problems faced by the farmers of Canada we must develop it on a different basis from our present programs.

The government must present a better image to the farmers of this country than the image presented to them this afternoon or it will never solve the problems. This will not only be to the detriment of the farmer but also to the detriment of the nation.

Mr. Choquette: Mr. Speaker, would the hon. member permit a question?

Mr. Peters: Yes.

[*Translation*]

Mr. Choquette: Mr. Speaker, I should like the hon. member to realize that we are perfectly aware of the crucial problem facing the farmers, and I should like to ask him whether he does not think that, in the past four years, the government has done a lot to improve the fate of the farmer?

[*English*]

Mr. Peters: Yes, Mr. Speaker, I do agree. Ever since I came here ten years ago the government has worked hard year by year to solve the immediate problems. The beauty of the ARDA program was that it was intended not only to provide stop-gap assistance to farmers but something that would be of future benefit to them. It was my hope that as a result we would be able to look ahead and see a much broader picture which would give some hope to those people who have been hanging on for so long in the hope that some beneficial change would be made in the field of agriculture.

It is my belief that the present Minister of Agriculture deserves a great deal of credit for setting up the manufacturing milk policy. This was a step in the right direction, but I think he will eventually find that he will be playing one farmer against another because he did not also establish a policy in respect of fluid and bulk milk. I am sure he will find in the long run that this neglect will prove disadvantageous to Canadian farmers. I am happy to agree that the present Minister of Agriculture has done his share in the stop-gap program, just as other ministers in other governments have done, but the farmers are not going to be satisfied with only stop-gap arrangements.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I should like to deal first with—

Mr. Deputy Speaker: Order, please. Does the hon. member for Qu'Appelle wish to comment on the same matter raised by the hon. member for Timiskaming?

Problems of Farmers

Mr. Hamilton: Yes, Mr. Speaker. The grievance raised by the hon. member for Timiskaming can be dramatised by the fact that the farmers of Canada, who represent the most stable element in the population, have seen fit to leave their farms during the busy spring season to come here by the thousands to present their case to the government. Surely this is an indication that something serious is amiss.

I recall that during the first few weeks after I became minister of agriculture I made a national television broadcast pointing out to the people in the cities that if one compared agricultural income with that of any other segment of our society one would find that agricultural income was steadily declining, not only in relation to the working man, with whom the farmer should not be compared, but in relation to the independent businessman who has a similar type of investment and the same long hours of work. At that time I asked the people in the cities of Canada to give their blessing and backing to my efforts to get farm income moving upward in order to provide reasonable equity compared with other segments of industry in Canada. During the time I held the portfolio I tried to complete some basic agricultural reforms to which I intend to refer later.

In view of the difficulties faced in the last four years by the agricultural industry, resulting in part from the tremendous revolution in machinery and technology and capital investment, I have taken the position that this industry needs all the help it can get. I do not intend to bore the house with figures indicating the tremendous adjustments that have been made in the last few years by the farming industry in order to keep up with technology and mechanization, but I am going to say what I have wanted to say for the last four years but have kept quiet because of my reluctance to hinder the efforts of my successors in trying to bring some form of assistance to the agricultural industry in this country.

Let me now say what I have held in abeyance because I felt that any minister facing the tremendous difficulties involved should be given every opportunity to solve them. There has been talk in the house over the last four years about the necessity of a national farm policy. We have had policy studies, and now we have task forces. All these devices are delaying tactics which indicate to me that the government does not know what to do and does not know where it is going.

• (5:30 p.m.)

Some hon. Members: Hear, hear.

[Mr. Deputy Speaker.]

Mr. Hamilton: This is the essence of the difficulty. I do not think we need a study to tell the farmers and the people of Canada that our agricultural industry, as was stated by the hon. member for Timiskaming (Mr. Peters), has reached a level of productive efficiency beyond the capacity of the domestic market of this country to absorb. It is as simple as that. Fortunately for those of us who come from the west we have an organization, the Canadian Wheat Board, through which we can channel this additional production because of increased productive efficiency and make it available in the markets of the world.

It is true that by using the traditional method of cash sales by the Canadian Wheat Board our exports were lower by 275 million bushels a year. When our government took on the responsibility of making credit sales and used the technique of the long term agreement with state run nations, mostly communist, when we made these two major businesslike approaches to the market exports climbed to the present level of approximately 600 million bushels a year and we could sell another 200 million bushels if we had the grain.

The interesting thing about these facts is that exactly seven years ago the farmers of western Canada were just as angry, just as frustrated, as are the farmers of eastern Canada today and those all across this country in the dairy industry. When I went to the farmers in 1960 and asked for their help and co-operation in backing me in a program of going out to sell their wheat abroad, asked them to give me time to demonstrate that it would be better for all of us if we sold our wheat abroad, and said that the maximum price would rise 50 cents a bushel when they were only asking for 20 cents more a bushel, the farmers gave me that breathing time. I think we demonstrated to the satisfaction of most people in western Canada—this area has never been traditionally Conservative in politics but when elections are held the people forget what the political names are and remember that ours was the first government in their living memory that ever tried to do something dramatic on their behalf—that we had the answers to some of these problems.

By staying together the farmers have developed a voice. In 1965, because of the incompetence of the minister in charge of the Canadian Wheat Board and his failure to support them in that crisis, we saw the price of wheat drop 17 cents. The farmer was told he was selling so many bushels and making so

much money that he would not notice the drop of 17 cents a bushel. The farmer gave his answer on November 8, 1965, by cleaning out every Liberal in western Canada except one in the city of St. Boniface. I ask hon. members to look at a record of wheat prices since. Amazingly they started to climb back to the maximum the minute the farmers stuck together. Therefore I think the lesson of this march should be clear to the government.

I recall reading about and watching on television a similar march that took place in Quebec city a year ago. In the province of Quebec 10,000 farmers were trying to tell their story to the provincial government of that day. Not much was done to assist the farmers. Three months later the government of that province changed. That is what happens when farmers stick together. Forty-eight counties of Quebec saw to it that the government changed. I would remind the government that in their indifference in handling this delegation today and telling them they are coming here to strike against the public interest because what they are asking for would cost $90 million, and the government is busy with Viet Nam and the Middle East, they ignore the basic fact that there will be support by the people for a government only if there is no poverty and no injustice. And there is injustice in the income that the agricultural industry is receiving today. That is why the farmers are here.

The farmers who are here today on this march are not on the verge of extinction because of marginal land ownership. These farmers are not the ones who cannot adjust. These are the best farmers in Canada, led by the most responsible farm organizations in this country. Who has ever told this house that the U.C.C. is a radical, revolutionary group? Who has ever told this house that the Canadian Federation of Agriculture is a radical, revolutionary group? These are the most stable groups in the body politic of Canada. They asked the farmers to come to Ottawa to add weight to the briefs they have presented to the government in the last four years, and the farmers have come here. This demonstrates the deep feeling among farmers in respect of their problems.

I am going to divert for a moment to point out what I think is an opportunity for the government to get out of this dilemma. I hold in my hand a pamphlet put out by the Saskatchewan Wheat Pool entitled "Famine In The Future." It arrived this week in the mail of hon. members. I ask hon. members to read this booklet and then they will see the answers to the problems of farmers in every industrial nation of the world, not only Canada. In this book we are told by the best mind in Canada today on agricultural policy, Dr. Menzies, that we have to face the facts, that by the end of this century we will have to feed approximately six billion people in the world.

The F.A.O. has pleaded with the nations of the industrial world to forget national differences, to forget their day to day problems and face the fact that today the nations of the world are facing a crisis. What do the nations of the world need? I can put it in two words—food and fibre. The F.A.O. in 1949 requested that greater effort be made in these fields. In 1959 it pleaded with the nations of the world to take action to solve these problems. The situation was so serious in 1964 that the F.A.O. issued a special report in which it asked for co-operation, and the answer it received from Canada was: We will set up a task force to study the matter.

It may be asked what this has to do with the debate we are holding today and the grievance we are discussing. It is a fact that we are not fighting communism in the world today. What we are fighting in the world today is poverty and injustice all over the world and not just in Canada. As the President of the United States told the American Congress, all the nations of the world must ask their producers to go full out and produce the food necessary to carry the world over the next 20 years and give our world institutions under the United Nations and through joint bilateral programs and so on a chance to build up the productive know-how because the next 20 years are the crisis years.

What do the people of the world want? They want proteins, proteins in milk, proteins in poultry products, proteins in red meats, proteins in soybeans. What nation is better prepared and more able to produce these things than Canada?

The dairy industry of Canada is frustrated today because of a surplus of 2 per cent milk. Because we can produce more milk than can be consumed in our cities the dairy farmer's price has been held down. What are the solutions to these problems? There are two solutions in my opinion. One is the short term solution of a subsidy to raise the price to that which will produce a bare living standard; otherwise all the investment in this very expensive industry will be lost. The other choice is to remember the salient fact that I brought out earlier, namely, why should there be a

crisis in the dairy industry when the world desperately needs our proteins, when the world desperately wants skim milk powder and butter oil? Bring the two together and you reconstitute homogenized milk.

• (5:40 p.m.)

We have the technology and the ability in Canada. All that is stopping us from curing this problem is the psychological block in the minds of the members on the front benches of the government. I recall meeting with the ten provincial agricultural ministers in 1961 and obtaining an agreement from them that the two provinces of Ontario and Quebec and the federal minister of agriculture would sit down together, forget partisan politics and do something to cure the problem facing the dairy industry. We agreed upon a plan.

At that time the government of Quebec was Liberal, the government of Ontario was Conservative and so was the federal government. We forgot that one government was Liberal and the others Conservative and we agreed upon a joint plan. That plan depended on Quebec passing legislation to give power to the farmers to form a single milk organization which would control the production and distribution of milk in Quebec and across the boundary in Ontario. Ontario had the necessary legislation but it had to persuade the various milk organizations in that province to accept the eventual liaison with Quebec, following which the federal government would take the surplus off the market and make sure that the price of milk would rise to such a level as to give the farmers a fair return without the necessity of a public subsidy. That was the simple, honest and straight forward plan which we accepted.

I do not hold it against the government of Mr. Lesage that he gave higher priorities to education, social welfare, hydro development and so on. However, the fact remains that his government did not introduce that legislation until the spring of 1966, and Ontario's efforts to bring its organizations together were thwarted until the Quebec government made the first move. The Quebec Liberal government fell in 1966 and another one took its place. Several weeks later the ministers of agriculture of Quebec and Ontario met in Montreal and agreed to come to the federal Minister of Agriculture and suggest to him to forget partisan politics and come together on the old agreement of 1961. What happened then? Somebody thought there should be a political battle between the federal Minister of Agriculture and the Ontario minister of agriculture, and that is the reason the plan was not accepted. That is the reason for the farmer's march on Ottawa which is taking place today. The fact is that the government has marked time ever since and has decided upon subsidies, which the farmers know is no answer to the fundamental problem.

I can speak with some feeling on this subject. In 1958 I undertook a survey of the eastern half of my riding of Qu'Appelle, Saskatchewan. I found that half the farmers had a cash income of less than $1,000 a year. Today when I go through those same areas I find that as a result of fundamentally sound agricultural policies the farmers who were getting less than $1,000 cash income have incomes of $6,000, $9,000 or $13,000 gross which gives them a net income of $1,000 or $2,000 a year. I saw a change in these people. Although they have to raise their families on $700 or $800 a year and their only chance to enjoy life is to go to a fair once a year, and although they are in debt up to their ears, they know they are doing something worth while, first, because at the present time they have enough money to meet the heavy debts incurred in the purchase of machinery, land and fertilizer and, second and above all, they know they are helping to feed the hungry people of the world.

I suggest that a parallel situation exists in Canada in the dairy industry and in the fishing and forest industries. The world is in desperate need of the products of these three industries. I think that the farmers, the lumbermen and the fishermen would not only feel happier if their pockets were a little fuller but also if they knew they were helping to meet the great challenge of our day, namely, the famine which faces the world. I think this is both the long range and the immediate solution.

A moment ago I mentioned the need for fibre, lumber and newsprint. The hon. member for Timiskaming mentioned reforestation. I recall that in 1962 and again in 1963 I proposed, on behalf of the government of that day, that we should take 20 million acres of abandoned farms in eastern Canada and spend on them $2 billion during a ten-year period to develop a commercial type of wood. The farmers in those marginal areas would have benefited from 90 per cent of the $2 billion which would have been spent on labour in the planting of and looking after trees. This would have been tied up with the expansion of the beef industry, so that the income of the people in these areas would

have been given a boost. I am speaking of the Bruce peninsula, the clay belt, the Ottawa valley, Lac Saint-Jean, and right down through Gaspé and the maritimes.

The proposal to spend $2 billion to reforest 20 million acres was described by the Prime Minister of this country as a policy for dogs. He visualized dogs being very happy with all those trees. That was all that his wisecracking mind could see. He did not even know that to spend $2 billion on this type of project would not only produce an income which would carry these people over the intervening years when the trees would be growing but that in 35 years time they would be worth a minimum of $12 billion and, with present prices, more likely $24 billion. Whenever a government can spend $2 billion which will produce $24 billion a generation later, that is a good expenditure. A capital value of $12 billion to $24 billion added to the beef and the recreational industries of these areas, would have meant an increase in income of at least $600 million to $700 million a year. It would also provide us with the foreign exchange which this country so desperately needs. But above all it would make thousands of farmers know that they were needed not only in Canada but in the whole world. They would feel satisfaction in that as they helped to raise their own incomes they were helping to feed, clothe and provide shelter for the people of this world.

That program has never been mentioned by the government in the house since it took office. Apparently they still think of it as a policy for dogs. A farmer does not care what he grows, whether it be dairy cows, beef cattle or trees, as long as the income from his acres is giving his family a livelihood and the possibility to raise his children in dignity. This is what I hold against the present government.

I mentioned earlier that by being united the farmers can achieve much more than if they divide into various groups. I mentioned the case of the 10,000 farmers who marched on Quebec city last year. I mentioned the fact that as a result of their march they went back to their counties and brought changes to the rural areas in Quebec which brought about a change in government. I also gave the example of how the western farmers, after 40 years of fighting each other, learned to work and vote together. I will give one more example because we in Canada are not alone in facing these problems. The same surplus of dairy products exists in the United States. Our surplus is 2 per cent while the surplus in the United States is 3 per cent. The reasons for the surplus are the same in both countries. The companies in both countries which buy the dairy products from the farmers are more disposed to sell them in the cities. It never enters their mind that the people of Formosa, Japan, Korea, Hong Kong and Indonesia want what the farmer is producing here. They continue the routine of selling to the cities. The companies in both countries are equally guilty.

While speaking on the question of farm activity in the United States, I would suggest that hon. members take a look at *Hansard* of last February or March where they will find the debate on the estimates of the former minister of trade and commerce. At that time I told him that if he was not going to act with regard to world wheat prices I would. I asked the farm leaders in western Canada to approach the farm leaders of the United States and to suggest to them that we should all stand together in trying to get the United States government to change its mind on wheat prices.

• (5:50 p.m.)

I have given public credit, and I do so now in this house, to Mr. Gibbings of the Saskatchewan Wheat Pool, Mr. Atkins of the National Farm Union and Mr. Runciman, who made these contacts with their counterparts. I went down and met the farm leaders of the United States in the office of the secretary of agriculture in Washington. I told them what I was going to do. The farmers asked the government of the United States to change its attitude on wheat prices but the government refused. The farmers gave them their answer in November last by cleaning out 23 of the 24 Democrats in the farm areas.

My point, therefore, to the farmers who are gathered here today is that although you only comprise 10 per cent of the population of Canada, which is far from the days when the figure was 30 or 50 per cent, if that 10 per cent learn the lessons of the last few years and stick together, not only in the west but in Ontario, Quebec and the maritimes, they can achieve the same result as the United States farmers achieved last year when they forced the government of that country to change its attitude on world wheat prices.

Agriculture is a basic industry but we have to get across the idea in the cities that unless agriculture is prosperous Canada is not prosperous. It seems odd that we should have to learn this lesson the hard way. You will recall that when the tremendous wheat sales took

place in 1961 they coincided with the movement of the economic barometer for every industry in this country. Within weeks the hard industries, such as farm machinery and trucks, moved up. Within months the steel industry and the mining industry began to move up. Employment moved up and wages moved up. There is an immediate reaction upon industry that serves the Canadian people when agriculture is prosperous. If there is an upsurge in manufacturing it takes two or three years before the results are felt by agriculture. However, when those engaged in agriculture get any money the results are felt immediately in the whole economic community. This fact has been admitted by the Minister of Finance (Mr. Sharp) in the present government and by the head of the Bank of Canada. Everyone accepts this principle. However, the government is failing to put it into practice. The health of agriculture is basic to the health of the country. That fact can be demonstrated to your heart's content.

It seems odd that in China today this subject is being debated. The cadres want to industrialize very rapidly but the government says no, we have to build up our farm industry. A great debate is going on because the Chinese government learned in 1959, 1960 and 1961 that if you let your agricultural industry drop, as they did when they moved the labour battalions to the cities to build the schools and roads they needed, then the whole economy almost collapses. They have had to go back and do it the hard way. Do we in Canada have to learn that lesson? We have to remember at all times that the agricultural industry, even if only 10 per cent of the population is engaged in that industry, must be kept not only to feed our own people but to help in the task of feeding people all over the world. It is for this reason agriculture must be basic.

I should have liked to continue and explain the principles of ARDA as a long range approach to the problems of the marginal farmer. This program is designed to help him with his difficulties and enable him to take advantage of all these opportunities. I would have liked to talk about changes that should be made in the Agricultural Stabilization Act, the Farm Credit Act and the Crop Insurance Act.

I should like to remind the government that in the committee on agriculture and colonization in 1963 and 1964 members of every political party, Liberal, Conservative, N.D.P. and so on, agreed upon a fundamental program to help the eastern farmer in connection with feed grains. We sat here all that year and waited. When the legislation came before us we found that the government had apparently ignored the basic conclusions upon which all parties had agreed in a quiet, constructive committee. I mention these things because it grieves me terribly to recall that the proposed feed grain assistance act which I introduced in the house in 1963 never saw the light of day. It was to be one of the basic pieces of legislation, along with ARDA, which would give eastern farmers the same uplift the farmers of western Canada had received. So the eastern farmer has waited all these years since 1963 and all he has received is talk. He has never had action.

I do not intend to criticize the principles of ARDA. I believe they are essentially sound. But I feel the minister has been more concerned about politics in the province of Quebec than he has been with using that legislation to do what it was primarily designed to do. The legislation was designed to get the local people, businessmen, professional people and farmers, to forget partisan politics and work together to raise the income level of the community. If the program has become a means of pouring money into an area in the form of subsidies, studies or surveys without the fundamental participation of the people in their own future, then I say that the government has destroyed or seriously hurt a very sound bit of legislation.

I could go on indefinitely. However, I believe I have said enough to indicate that the problems of the marginal farmer are still with us. Every time I look at the figures and realize that 83 per cent of the farmers of Quebec are below the minimum standard of a modern industrial state, that 87 per cent of the farmers in the maritimes are below this standard and 60 per cent of the farmers across the country are below the standard, I realize that the problems of the marginal farmer are still with us. When you are the author of legislation you naturally feel that your child is being neglected, and you hate to see this.

I know the minister made a tremendous effort, after waiting a year with no action, to learn how this legislation operated. I know his civil servants made an effort to get the program started. What I do know now is that the very dreams we built together are disappearing because the people see no hope and the minister spends all his time on politics and none on the problems of these marginal farmers. Our problem today, as I say, is not fighting communism. Our problem today is

fighting poverty by self-help rather than handouts. Our problem today is to fight injustice by doing those things that give people hope there will be some answer to their problems.

I do not pretend, Mr. Speaker, that all the problems were solved when I was minister or that they will all be solved in the future. However, I do know that an honest effort was made, and I hate to see us marking time. I hate to see this pre-occupation with things as far reaching as the Middle East or Viet Nam because the root problem is the same. If we were more concerned in Viet Nam with the division of land between the landlords and the peasant, I believe an answer would come more quickly. However, with the world appealing to us for help, with the FAO asking for help, the people of our generation in Canada must ask if we are going to be able to meet these requests. I want to be able to meet this challenge in my generation, not by handouts at home or by handouts abroad but by the adoption of the principle of self-help.

Mr. Speaker: It being six o'clock, according to the motion adopted on May 16, 1967, I must now put the question. Is the house ready for the question?

Some hon. Members: Question.

An hon. Member: On division.

Motion (Mr. Sharp) agreed to and the house went into committee, Mr. Batten in the chair.

• (6:00 p.m.)

The estimates of the following departments were first taken up and entered for consideration:

Department of Agriculture
Department of Defence Production
Department of Energy, Mines and Resources
Department of External Affairs
Department of Finance
Department of Fisheries
Department of Forestry and Rural Development
Department of Indian Affairs and Northern Development
Department of Industry
Department of Justice
Department of Labour
Department of National Defence
Department of National Health and Welfare
Department of National Revenue
Post Office Department
Department of Public Works
Registrar General
Secretary of State
Solicitor General
Department of Trade and Commerce
Department of Transport
Treasury Board
Department of Veterans Affairs

Proceedings reported.

Mr. Pennell: Mr. Speaker, I would ask leave of the house to revert to motions for the purpose of referring certain estimates to standing committees. I should not have asked for leave had I not had discussions with the various house leaders.

Mr. Herridge: Leave is not granted, Mr. Speaker. There will be more tomorrow.

BUSINESS OF THE HOUSE

Mr. Bell (Carleton): May we know tomorrow's business?

Mr. Pennell: Tomorrow, Mr. Speaker, we propose to deal with item No. 3, the resolution to amend the Immigration Act. If that resolution carries we intend to proceed with item No. 6, second reading of Bill C-106, to amend the Canadian Wheat Board Act. Then we propose to call item No. 10, second reading of Bill S-6, to revise and consolidate the Interpretation Act, and we shall follow that with item No. 8, second reading of Bill S-4, to amend the Canadian Citizenship Act.

It being five minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, May 25, 1967

The house met at 2.30 p.m.

THE BUDGET

ANNOUNCEMENT OF PRESENTATION ON THURSDAY, JUNE 1

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I should like to announce that I intend to present the budget a week from today, June 1, at 8 p.m.

INTERNATIONAL LABOUR ORGANIZATION

TABLING OF INSTRUMENTS ADOPTED AT FIFTIETH CONFERENCE

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, in accordance with article 19 of the constitution of the International Labour Organization, and with the permission of the house, I would like to table the text in English and French of instruments adopted at the 50th International Labour Conference held in Geneva in June, 1966. Four instruments were adopted at that conference—two conventions and two recommendations.

The I.L.O. constitution requires the government of a member state to bring conventions and recommendations adopted by the International Labour Conference "before the authority or authorities within whose competence the matter lies for the enactment of legislation or other action." In the case of a federal state, the constitution further obliges the federal government to refer instruments which are deemed to be wholly or partially within provincial legislative competence to the appropriate provincial authorities "for the enactment of legislation or other action."

• (2:40 p.m.)

The opinion of the Minister of Justice (Mr. Trudeau), a copy of which I should like also to table with the consent of the house, is that the subject matter of each convention is within federal legislative jurisdiction, and that the subject matter of each of the recommendations is partially within federal legislative jurisdiction and partially within provincial legislative jurisdiction.

Convention 125 sets up minimum international standards for certificates of competency for officers on salt water fishing vessels. In Canada the standards in this convention have been studied by the departments concerned. The requirements for engineers I am pleased to say are being met in Canada.

Convention 126 deals with accommodation of crews on salt water fishing vessels. Here we have associated problems to discuss with the provinces concerned. This convention has been studied by the departments concerned in order to ascertain the extent to which it agrees with Canadian standards for such accommodation. I am pleased to say there has been substantial conformity in practice, but there are still a few problems to be overcome before ratification can be considered.

Recommendation 126 outlines vocational training programs for fishermen. Recommendation 127 concerns the role of co-operatives in developing countries. As hon. members no doubt are aware, the I.L.O. constitution obliges governments of federal states to arrange for periodic consultations between federal and provincial authorities with a view to promoting action to give effect to the provisions of international instruments adopted by the International Labour Conference. In addition to our regular consultations my department is continuing to consult with other federal authorities in respect of provincial areas of the I.L.O. conventions.

I should like to add that I was privileged to take part in a ceremony last fall at which my colleague the hon. Secretary of State for External Affairs (Mr. Martin) formally presented the instruments of ratification of two I.L.O. conventions on behalf of the government of Canada: Convention 45 concerning the employment of women on underground work in mines, and convention 122 concerning employment policy. I might say that that occasion was made more pleasurable by the fact that the eighth regional conference of American states members of the I.L.O. was meeting in Ottawa at that time.

With the permission of the house I should like to file the conventions and regulations.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the subject matter

of the minister's remarks once more underlines the great difficulties, under the federal system, of the federal government entering into treaties and conventions which in any way are concerned with matters that fall within the jurisdiction of the provinces.

In 1919, if my recollection is correct, a series of conventions was passed by the I.L.O. During the days of the administration of the late Right Hon. R. B. Bennett various social legislation bills were introduced in parliament, the foundation of which was the agreements entered into by the I.L.O. in 1919. The courts held that the legislative enactments were not within the ambit of the powers of parliament and gave the opinion accordingly.

In the last few years there has been more discussion of the constitution than ever before, particularly arising out of the doctrine of two nations enunciated by the Prime Minister (Mr. Pearson) in April, 1963. That has brought about within the nation divisions of opinion concerning treaties and the rights of the provinces. The minister with his wide knowledge of the law, which is apparent in the statement he has just placed before the house, has underlined and emphasized the seriousness of the situation facing this nation in the field of international affairs in respect of those matters which may or may not fall within provincial jurisdiction.

Once more in centennial year I suggest that what he has said is further evidence of the need for this nation to convene a national constitutional conference to the end that we will determine once and for all the rights of this nation as a nation to enter into treaties, and also at the same time to assure that the infringement of impingement of treaty rights by particular provinces shall not be compromised.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should simply like to say on behalf of the N.D.P. that we welcome the fact that the minister has been able to place before parliament today the fruits of some of the work of the 1966 I.L.O. convention. I was particularly interested, having had an opportunity of hearing some of the discussions on the matters that led up to the convention in respect of the fisheries aspect of the matter. It is my hope that the minister, and his colleague the Minister of Fisheries (Mr. Robichaud) will pursue with all diligence their efforts to obtain necessary arrangements with the provinces in order that we may ratify this convention without undue delay.

[Mr. Diefenbaker.]

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, we have listened carefully to the statement of the minister on various aspects of the policy concerning work and accommodation on fishing boats. We are glad not only to hear this announcement, but also to realize that some progress is made in the field of labour in terms of international organization. The experiments made and the results obtained in other countries will help us considerably, and I think that what is being done in Canada now might be useful to other countries, as far as international relations are concerned.

We will study more carefully the statement the minister has just made and we will be in a better position then to express our point of view on the situation.

[*English*]

SUPPLY

MOTION TO REFER DEPARTMENTAL ESTIMATES TO STANDING COMMITTEES

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I move:

That, saving always the powers of the committee of supply in relation to the voting of public monies, the items listed in the main estimates for 1967-68, relating to the Departments of Agriculture, Forestry and Rural Development, Trade and Commerce, National Revenue, External Affairs, Industry, Justice and Public Works be withdrawn from the Committee of Supply and referred to the Standing Committees of this House, as follows:

(a) Agriculture, and Forestry and Rural Development to the standing committee on agriculture, forestry and rural development;

(b) Trade and Commerce, and National Revenue to the standing committee on finance, trade and economic affairs;

(c) External Affairs to the standing committee on external affairs;

(d) Industry to the standing committee on industry, research and energy development;

(e) Justice to the standing committee on justice and legal affairs; and

(f) Public Works to the standing committee on housing, urban affairs and public works.

Mr. Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Herridge: No.

Mr. Speaker: I direct the attention of hon. members to the fact that—

[*Translation*]

—by virtue of standing order 57, this motion is not debatable.

[*English*]

Is it the pleasure of the house to adopt the motion?

Mr. Herridge: No.

Some hon. Members: Agreed.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Mr. Herridge: Nay.

Mr. Speaker: In my opinion the yeas have it, and the motion is carried on division.

Motion agreed to on division.

• (2:50 p.m.)

EXPO '67

VISIT OF PRESIDENT OF THE UNITED STATES —DISCUSSIONS AT HARRINGTON LAKE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct my question to the Acting Prime Minister and ask whether he would advise the President of the United States of the regret of this house at the fact that, in line with the course followed by his predecessor, he has not been enabled on this occasion to speak to this house and the other place, particularly at a time when such important matters as Viet Nam and the Middle East are exercising the hearts of free men everywhere.

Hon. Robert Winters (Acting Prime Minister): Mr. Speaker, commenting on the observation made by the right hon. Leader of the Opposition about the visit to Canada of the President of the United States, I should say that we hope this short visit will not be the official visit of the President in connection with Canada's centennial year or to Expo. We hope he will have the opportunity to return.

As hon. members are aware, the President of the United States is visiting Canada today. He arrived at Expo, where he was received with the warm welcome that is characteristic of Canada, I think, and indicative of the great respect that Canadians have for our great neighbour to the south, and the office of the presidency.

Some hon. Members: Hear, hear.

Mr. Winters: This visit was arranged at short notice yesterday, when the president suggested to our Prime Minister that it would be desirable in the present circumstances to consult together on a number of current developments in world affairs. During the course of this morning the president attended the United States national day ceremonies at Expo '67 and toured the United States pavilion. He then flew to the Prime Minister's summer residence at Harrington Lake, where he has lunched with the Prime Minister and where private discussions are now proceeding. These discussions, in which the Secretary of State for External Affairs (Mr. Martin) is participating, will continue until the president returns to Washington later this afternoon.

UNITED NATIONS

MIDDLE EAST—REQUEST FOR STATEMENT ON PROGRESS OF NEGOTIATIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Acting Prime Minister whether he has any report to offer regarding the situation in the Middle East, and in particular whether there is justification for the hope that is being expressed, that in that area the situation is improving and there is a hope that at least an interim settlement and a cooling off period will have been obtained, to the end that an ultimate and complete settlement may be secured.

Hon. Robert Winters (Acting Prime Minister): Mr. Speaker, on the important subject of world peace as it relates to the delicate situation in the Middle East, there is very little I can add to the knowledge that all hon. members have in their possession. The Secretary General of the United Nations has returned and undoubtedly he will be reporting, but I can assure hon. members that the reports that the Secretary General was very upset about the meeting of the Security Council are ill founded. He was quite in accord with that action.

Mr. Diefenbaker: Would the minister say whether there has been any acceptance by all of the four great powers of the invitation extended or the suggestion made by President de Gaulle that the great powers should meet together with a view to looking into this matter and thereby reducing tensions? Has there been any acceptance by the U.S.S.R. of the invitation?

Mr. Winters: I am unable to answer that question specifically at the moment, Mr. Speaker. I should like to take it as notice.

Inquiries of the Ministry

Mr. David Lewis (York South): Mr. Speaker, may I ask a supplementary question? Could the Acting Prime Minister inform the house whether plans have been laid for a meeting of the Security Council in order that the Secretary General may report on his mission to Cairo, or has this not yet been done?

Mr. Winters: All I can report is my expectation, as is reported to me, that the Security Council will meet again in the near future to consider the Secretary General's report. So I presume that arrangements are in hand to that end.

[*Translation*]

TRADE

SHOES—REQUEST FOR STATEMENT RESPECTING QUOTA

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the hon. Minister of Finance.

Does the minister intend to establish quotas for the importation of shoes from Asiatic and European countries, as the Canadian Shoe Manufacturers Association has asked?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the answer is no.

[*English*]

NATIONAL DEFENCE

REQUEST FOR CLARIFICATION OF ROLE OF UNIFIED FORCE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of National Defence I will direct my question to the associate minister. It is based on the policy statement enunciated by the Minister of National Defence on April 3. The question is: Is the Canadian unified mobile force now available for—and I use the minister's own words—"putting out, containing or controlling incidents which might escalate into something more serious", and is the crisis in the Middle East the type of incident for which the force has been prepared?

Hon. Léo Cadieux (Associate Minister of National Defence): Mr. Speaker, this is the kind of question that requires long consideration.

[Mr. Winters.]

AGRICULTURE

REPORT BY MINISTER TO STANDING COMMITTEE FOLLOWING PRESENTATION BY FARM DELEGATION

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to direct my question to the Minister of Agriculture who has now had some time to digest the representations of the farmers of Ontario and Quebec. Is he prepared to inform the standing committee on agriculture of his intention, that is whether or not he is ready to comply with the farmers' requests?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the meal I had yesterday will take more than 24 hours to digest.

BUTTER AND CHEESE—ALLEGED FAILURE OF DAIRY POLICY

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I have a supplementary question for the minister. Is he aware that the production of butter and cheese has dropped by 11 per cent? Will he say that this constitutes a failure of his recent dairy policy, and what does he intend to do to rectify it?

Mr. Speaker: Order, please. That question also appears to be difficult to digest.

POSSIBLE IMPLEMENTATION OF SCHOOL MILK PROGRAM

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): I have a supplementary question for the Minister of Agriculture concerning a matter which he has been digesting for a considerable period of time. Will the minister now, in the light of the events which took place on the hill yesterday afternoon, consider implementing the school milk program which was promised back in 1963?

Mr. Howard: And in 1958.

Mr. Speaker: I wonder if the hon. member would put the question on the order paper.

[*Translation*]

[*Later:*]

DAIRY POLICY—SUPPORT OF CANADIAN FARMERS

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, my question is directed to the hon. Minister of Forestry and Rural Development.

Like the hon. member for Nicolet-Yamaska (Mr. Côté), is the minister still convinced of the support of Canadian farmers? If so, can he tell us why six officers accompanied him when he left parliament at 6.45 p.m. yesterday?

[*English*]

REPORT OF FINDINGS BY TASK FORCE

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Agriculture and is based on the fact that he has accepted the principle of setting up a task force to look into agricultural problems in eastern Canada. Is the government seriously considering asking the task force to report its findings to the government before a specific date, and if so can the minister inform the house approximately how much time he intends to let the task force have to complete their work?

Hon. J. J. Greene (Minister of Agriculture): Although no rigid terms were set prior to the appointment of the task force, the general thinking is that they should report within one year, and make interim reports on specific studies within that period.

Mr. R. Gordon L. Fairweather (Royal): I have a supplementary question, Mr. Speaker. Will the task force be comprised of officials, or will the agricultural industry be represented?

Mr. Greene: Mr. Speaker, it will not be composed of officials. The thought is that outside persons will compose the task force.

ACTION BY VETERINARIANS TO RELIEVE SUFFERING OF ANIMALS

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Would the minister assure this house that all veterinarians in the employ of the government will carry out their ethical and moral responsibility to attempt to relieve the suffering of animals, as requested by the Humane Society?

Mr. Speaker: This is a very general question which might be placed on the order paper.

Mr. Webb: On a question of privilege, Mr. Speaker, the society have requested this for some time and as yet have not had an answer. I think that the minister should have given an answer.

[*Translation*]

[*Later:*]

DAIRY POLICY—POSSIBLE RECOMMENDATIONS FOLLOWING COMMITTEE STUDY

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, following the answer given by the Minister of Finance to a question I put to him earlier, I have a question for the Minister of Agriculture.

Would the Minister of Agriculture tell the house whether he intends to recommend to the committee which will study the farmers' requests between now and June 10 a suggestion to review the policy of quotas applicable to the dairy policy?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, this is one of the matters that we shall consider before June 10.

[*English*]

INDUSTRY

NORTHERN ONTARIO—POSSIBLE CLASSIFICATION AS DESIGNATED AREA

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Minister of Industry. I asked one along the same lines on Tuesday and Your Honour found it inadmissible. May I rephrase it and hope it is in order. Can the minister inform the house whether it is his intention to classify northern Ontario as a designated area, and if so when may we expect the relevant information?

Mr. Speaker: Order, please. I have no objection to the minister answering the question. The reason I ruled the question out of order at the time it was asked originally by the hon. member is that it appeared to me to be of a very general nature and of a type that should not normally be asked at this time.

Mr. Lewis: There was a part to that question which I left out in the hope that it would not be considered too general.

[*Later:*]

Mr. Lewis: Mr. Speaker, I hope you will permit me to repeat the question that I asked the Minister of Industry, in view of Your Honour's suggestion that you would have no objection to his replying to it. I asked the minister whether he could tell the house if it is his intention to classify northern Ontario as a designated area and, if so, when he would be likely to make that announcement.

Mr. Speaker: Order. In view of the fact that there should be some order, I would suggest to the hon. member that if he thinks I am wrong in ruling against the immediate urgency of the matter or against accepting the question at this time it could easily be asked at ten o'clock this evening.

Inquiries of the Ministry

HOUSE OF COMMONS

CLOSING OF BUILDINGS DURING ASSEMBLY OF FARM DELEGATION

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 Justice and ask him whether it was under his direction, or under the direction of any member of the government, that the parliament buildings were yesterday closed and sealed even before there was any suggestion of mob action or threats. Why was that done, who gave the order, and was it carried out in pursuance of any instructions given by any member of the executive?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, in reply to the first part of the question I can say that I did not give such an order. With regard to the question whether such an order was given, I would have to make inquiries.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I have a supplementary question for the Solicitor General. Would the minister express our congratulations to the R.C.M.P. for the good spirit they showed yesterday in handling the situation? Because they were wonderful.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, yesterday I had occasion during the question period to raise the matter of the locked doors of the House of Commons. At this time I should like to put forward the suggestion, which may be considered in any report Your Honour might be preparing on this subject, that this locking of the doors affects two major principles. One is—

Mr. Speaker: Order. Is the hon. member asking a question or making a statement on a question of privilege?

Mr. Hamilton: Mr. Speaker, my question is one of those which falls into both categories, being a question and a matter of privilege.

Mr. Speaker: Then perhaps it might be easier if the hon. member would rise on a question of privilege.

Mr. Hamilton: Then I rise on a question of privilege, Mr. Speaker. I raised yesterday a question which I thought was very close to a question of privilege. After mature consideration I know it is a question of privilege, because I think it is a paramount right of a member of parliament to have access to his

[Mr. Speaker.]

place in this house when the division bells ring. Not that this situation will occur too many times in the future, Mr. Speaker, but I believe that in your report to us there should be some indication how this situation can be met when large delegations come here in future.

The second aspect of my question of privilege concerns the right of the citizens of this country to make their presentations on the hill in an orderly manner and to have access to the House of Commons. I do not think any person in this house excuses the action of those few who pounded on the doors, but I wanted to ask Your Honour whether in your report you would consider suggesting a procedure for the future which recognizes (a) that a member has a right to his place and that this should be looked after, and (b) that those who wish to come here in an orderly fashion should be given the privilege of coming in, as they did later on in the afternoon.

OPPORTUNITY TO VISITORS TO PURCHASE INFORMATIONAL MATERIAL

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 as minister most concerned about making our centennial visitors happy. We all know that there are thousands of people going through this house every day, and I have received several complaints.

Would the minister bring to the attention of the appropriate authorities the fact that hundreds of people who are visiting this house every day would like an opportunity to buy booklets and pictures relating to this house while they are here?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I will be glad to take note of that.

PUBLIC SERVICE

DRAFT LEGISLATION TO INCREASE RETIREMENT PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. Is the government making progress in drafting legislation to implement the recommendation of the special joint committee on the public service of Canada with regard to increasing the pensions of retired civil servants? If so, when may we expect the presentation of that legislation?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, the government is making progress in its consideration of the matter, but I know better than to fix dates for implementing any decisions that are made when dealing with my hon. friend.

Mr. Knowles: I trust it will be soon.

THE BUDGET

REQUEST FOR INFORMATION CONCERNING PROCEDURE IN DEBATE

On the orders of the day:

Hon. J. W. Monteith (Perth): Mr. Speaker, I should like to ask a question of the Minister of Finance. I understand that just prior to my entering the house the minister announced that the budget would be presented a week from tonight. Is it the intention of the minister, the house leader or the government to continue with the budget until debate has concluded, or will it be adjourned that evening for a certain period?

Hon. L. T. Pennell (Solicitor General): If I may be permitted to answer, Mr. Speaker, I believe that this question will be resolved when the government house leader returns to the house early next week, and consultations with the several house leaders will be held.

FISHERIES

BRITISH COLUMBIA—RENEWAL OF STELLAKO RIVER LOG DRIVE

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I should like to ask the Minister of Fisheries a question. Can he say whether he has received protests from British Columbia organizations over the reported decision by the British Columbia government to permit a renewal of the Stellako river log drive, which was so injurious to the fishing resource last year?

Mr. Speaker: Order. I find it difficult to judge whether that question is of immediate urgency. If the hon. member thinks I am wrong in my judgment that it is not, he might want to give notice to debate the matter at ten o'clock.

Mr. Mather: On that point, Mr. Speaker, I suggest it is of urgency because the fishing season in that area is about to get under way. I think the minister has a reply to my question.

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I did receive protests from a number of organizations in British Columbia about the decision of the government of British Columbia to permit a renewal of the Stellako log drive. In this regard I wrote to the minister of lands, forests and water resources for British Columbia on May 16, and I received a reply to my letter yesterday. The content of this reply will be studied at a meeting that I intend to have with my senior officials later this afternoon, and a decision will be reached no later than Monday or Tuesday of next week.

However, I wish to assure the hon. member that my decision with regard to the protection of fish, in the face of multiple water use, will be taken bearing in mind that we should have the fullest use possible of our water resources, so long as no single resource suffers.

[*Later:*]

Mr. Frank Howard (Skeena): I wish to direct a question to the Minister of Fisheries arising from the answer which he gave to my colleague the hon. member for New Westminster, to do with the logging drive on the Stellako River. Would the minister be prepared to table the exchange of correspondence between himself and Hon. Mr. Williston of British Columbia regarding this matter?

Mr. Robichaud: While I am prepared to table the correspondence, I shall not do so until after consulting with the B.C. minister, for provincial approval.

LOBSTER CATCH—EXTENSION OF SEASON

On the orders of the day:

Mr. Melvin McQuaid (Kings): Mr. Speaker, my question is directed to the Minister of Fisheries. I would ask the minister whether any decision has yet been arrived at with respect to the extension of the lobster fishing season in district 7B. How soon may we expect an announcement in this regard?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, it would not be proper for me to decide on the extension of the lobster season in district 7B, as the season began only yesterday. I shall take the same position in regard to this district as I took in regard to district 4 in southwestern Nova Scotia. I do not think that a decision should be reached before the season is well advanced, as we shall then be able to assess and determine whether it is advisable to extend the season.

Inquiries of the Ministry

Considering the late date on which the season opened in district 7B, I have good reasons to believe that an extension could be considered toward the close of the season and a decision reached in this regard.

CANADIAN BROADCASTING CORPORATION

REQUEST FOR DETAILS OF AGREEMENT WITH U.S.S.R.

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, some two weeks ago I asked the Secretary of State to advise the house whether an agreement had been signed between the Canadian Broadcasting Corporation and Soviet Russia or any of the departments of the Kremlin relating to broadcasting arrangements, and if so what were the general provisions and purposes of that agreement. I wonder whether she is now in a position to answer that question.

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I must apologize; I am informed that the answer is on my desk under about two pounds of paper. I hope to have it for the right hon. gentleman in the morning.

CONSUMER CREDIT

POSSIBLE RE-ESTABLISHMENT OF JOINT COMMITTEE

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): May I ask the Acting Prime Minister whether the government intends to establish again the special joint committee of the Senate and House of Commons on consumer credit and prices? If so, when will the committee be set up?

Hon. Robert Winters (Acting Prime Minister): Mr. Speaker, I shall consult the appropriate authorities and answer later.

[*Translation*]

EXPO '67

RECORDING OF HISTORICAL EVENTS ON FILM

On the orders of the day:

Mr. Roger E. Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, my question is addressed to the Secretary of State.

In view of the historic value of the events preceding the opening of Expo and those which take place every day, and also in view of the fact that thousands of Canadians will not have the opportunity to visit the various pavilions, can the minister tell us if steps have been taken to put those events on film to be stored in the archives and to be distributed throughout the country when Expo is over?

Mr. Speaker: The hon. member has made a suggestion to the minister and, to the extent that it is a question, I think it could be put on the order paper.

[*English*]

MR. JUSTICE LANDREVILLE

INQUIRY AS TO ACTION PROPOSED BY GOVERNMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, with the approaching by-election in Sudbury, on Monday, there is interest in what the government will do about Mr. Justice Landreville. Sixteen days ago I was advised that the information would be given in a few days. Will the Solicitor General now say what the government will do? Will it impeach Mr. Justice Landreville or do something else? Will that information be given tomorrow, the last day before the by-election?

Hon. Robert Winters (Acting Prime Minister): May I answer that question? The Prime Minister spoke to me this morning and asked me to send his regrets to the right hon. Leader of the Opposition in the event he asked this question. He expressed his regrets that he was detained today, and said that he will reply at the earliest possible date.

Mr. Diefenbaker: Tomorrow? In reciprocating to the Acting Prime Minister for the Prime Minister's good wishes, I nevertheless ask the Prime Minister to answer tomorrow. The people want to know. Next week will be too late.

Mr. Speaker: Order, please. The right hon. gentleman is imputing motives.

IMMIGRATION ACT

AMENDMENT INCREASING AMOUNT AVAILABLE FOR TRANSPORTATION EXPENSES

Hon. Jean Marchand (Minister of Manpower and Immigration) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Immigration Act to increase from twelve million dollars to twenty million dollars the present limit on the total amount of outstanding advances at any one time that may be made to enable the

Minister of Manpower and Immigration to make loans to immigrants to assist them with the expenses of their transportation to Canada.

Motion agreed to and the house went into committee, Mr. Batten in the chair.

Mr. Marchand: Mr. Chairman, this resolution introduces what must be one of the shortest items of legislation ever proposed in parliament. It seeks to amend one word in the Immigration Act, changing the word "twelve" to "twenty". The change is far from trivial, however, because the words following are "million dollars".

The proposal is to raise from $12 million to $20 million the ceiling on the amount of assisted passage loans to immigrants that may be outstanding at any one time. The change is necessary because of the relatively large numbers of immigrants who have been coming to Canada recently. The present ceiling would force us to cut down sharply the assistance we are able to give.

I think we agree, with little difficulty, that such action would be undesirable and unfair. I hope therefore that we can proceed soon to consider the bill itself. We are dealing of course with a financial measure and a resolution is necessary. The bill itself is so short and simple that I hope, if the house agrees, I might make my detailed explanation when we come to second reading. I hope the house will give unanimous consent that we go immediately to second reading.

Mr. Churchill: Is the bill printed?

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to put a question to the Minister of Manpower and Immigration.

The minister is asking us to increase from $12 million to $20 million the present limit on the total amount of advances for transportation of immigrants. Could he give us the results of his last trip to Paris with regard to French immigration and provide us with the number of French immigrants? Could we be informed of the results obtained since his last initiatives?

Mr. Marchand: Mr. Chairman, it will surely be possible to give the results. We have the figures, but I do not have them here. I could supply them to the hon. member as soon as I receive them from the department.

Mr. Grégoire: Could the minister give them to us during his statement on motion for second reading?

Mr. Marchand: Probably, Mr. Chairman.

[*English*]

Mr. Bell (Carleton): Mr. Chairman, normally we would wish to accommodate the minister in his suggestion. When such suggestions are normally made they are preceded by consultations across the floor of the house. Such consultations to the best of my knowledge have not taken place, and there are questions which the minister ought to answer before we proceed to second reading of the bill.

• (3:20 p.m.)

If the bill is as simple as the minister has indicated I would have no objection to seeing it read the second time and given final approval today. But I think the proper time to make a full and elaborate statement as to its purpose is now, on the resolution stage. If we accept the minister's statement at its face value, then the bill amounts to nothing more than a simple piece of financial window dressing, in which case it will come as a great disappointment to the house. We on this side were hoping that the resolution would accomplish something more than appears on the face of it—that it would mark a new approach to immigration policy as far as assistance to immigrants is concerned, rather than a continuation of the piecemeal, patchwork programs of the past.

I think the time has come to adopt imaginative and dynamic new policies in relation to the assistance of immigrants. All that is proposed here is that the amount of money available in the revolving fund should be increased. This is of course important; it shows we are making progress. But there has been no change in principle—no real improvement.

The minister should have given us an introductory statement, making it clear that the government intends to follow a dynamic immigration policy and is not merely coasting along. This proposal merely to increase the number of dollars available is less than satisfactory, for a number of reasons. In the first place, it seems to offer less than the fulfilment of the government's own proposals as set out in the white paper. At page 38 of that document, after a discussion of the assisted passage scheme which is authorized by section 69 of the Immigration Act, we find these words:

> However, the scheme needs revision to reflect the universal and non-discriminatory selection policy outlined in this white paper. Therefore, subject to parliamentary approval of the necessary funds, it is proposed that loans be made available on a universal basis to qualified unsponsored immigrants, including their wives and minor dependant children, up to a maximum of $1,500 for a family unit.

When the minister tells us that all we need do is increase the amount, he is not even carrying out the policy enunciated in the white paper itself. As well as I can recall, the assisted passage scheme has been confined exclusively in the past to Europe, and indeed it does not extend to all parts of Europe; it is inapplicable in Yugoslavia or Soviet bloc countries, for the simple reason that unsponsored immigrants are not normally accepted from those countries. The Netherlands and Norway—in other days, at least, and probably now—object to the operation of the scheme within their borders. I believe also that the scheme does not operate in Malta, in Spain or in the Azores. Today we are being asked to accept a change from $12 million to $20 million blindly, in the absence of any indication of what is planned or whether there will be any change in basic policy.

I suggest that the committee must decide whether a loan scheme is sufficient or whether a system of subsidy should be coupled with it. The white paper rejects out of hand the use of migrant subsidies as a promotional device. I am far from certain that this is the correct attitude. Australia has had a most satisfactory experience with a system of subsidization. I have in hand a pamphlet which describes the Australian system. Under this scheme the fare, door to door, from the British Isles to Australia is only ten pounds sterling. Young people under 19 travel free. This means that a husband and wife with any number of children under 19 can go to Australia at a total cost in fares of only twenty pounds sterling or about sixty dollars Canadian. Those who travel under this assisted passage scheme use the normal passenger shipping services or air lines. Their payment of ten pounds toward the cost is simply the result of an arrangement between themselves and the government of Australia; as far as the shipping or air line companies are concerned, passengers have the same status and accommodation as anyone who has paid the full economy class fare.

There can be no doubt that Australia has been much more successful than Canada has been in the promotion of immigration from the British Isles. In most years their intake has exceeded ours by two to one. This should not, and need not, be the case. In my view this country has attractions unequalled by those of our great sister land. But it is a fact that the promotion of immigration by Australia has been much more consistent and much more vigorous than ours. I believe the government and the special joint committee of the Senate and the House of Commons should examine Australia's promotional efforts with a view to emulating them. For the present, we simply cannot compete in the British Isles with the financial allurements offered by Australia. As competition for desirable immigrants grows, I feel we may become increasingly shut out of the British Isles unless we adopt new and more vigorous policies.

The weakness of this resolution is that it deals only with assisted passages—with transportation costs. But the period during which a new immigrant may well require most assistance is during the first weeks, or months, of his settlement in Canada. Yet there is not a word in this resolution about settlement arrangements—about educational facilities, language instruction, facilities for personal guidance or advice to immigrants after their arrival here.

A basic weakness of the department for years has been a too great concentration of interest on the landing of immigrants in Canada, leaving resultant problems to the provinces and the municipalities. My feeling is that this is not good enough and that a major expansion of the settlement, education and welfare programs of the Department of Manpower and Immigration is essential. The very minimum requirement is genuine coordination with provincial and municipal programs. It is not enough to pay travel expenses and then leave the immigrant on his own, without counseling, without guidance, without language instruction, and dependant solely upon local services which, to say the least, are of diverse quality from community to community. When the government is seeking money to pay travel expenses for immigrants, the least it owes the House of Commons is to tell hon. members whether it has any plans at all to expand the services available to these newly-arrived persons.

Another failure, I suggest—

Mr. Marchand: Do I understand that the hon. member refuses to give unanimous consent? I just want to know.

Mr. Bell (Carleton): The minister is quite right. I intend to make a speech on this resolution, and as far as I am concerned the resolution may then pass and I am prepared to deal with the bill this afternoon. But if the minister expects any co-operation from this side of the house, he knows perfectly well that I usually act as critic on immigration matters, and I am as near as the nearest

telephone. All he has to do is telephone me, not attempt to pull some stunt on the floor of the House of Commons.

Mr. Marchand: May I mention to the hon. member that yesterday the acting house leader indicated that the bill we are dealing with would be called today. About a month ago I spoke to the hon. member for Winnipeg South Centre and told him—unfortunately the hon. member for Carleton was not here at the time—that this fund would run out of money during May. He said he would be ready to co-operate during the new session, even during the debate in reply to the speech from the throne.

• (3:30 p.m.)

Mr. Bell (Carleton): The minister will get his resolution through faster if he is prepared to be co-operative. I intend to make my statements in respect of what I believe are the deficiencies in this resolution, and I expect the minister to answer them. So far as I am concerned I am prepared to go ahead and deal with the second reading of the bill and, if necessary, put it through all stages this afternoon. But I venture to suggest that the minister, if he wants to get business through this house, knows perfectly well to whom he should come and discuss immigration matters, at least so far as the official opposition is concerned. He has enough experience already to know that.

I believe another deficiency of this resolution is that it deals not at all with the integration of the assisted passage proposals with the plans formulated by at least some of the provinces. For example, in May, 1966, the government of Manitoba embarked upon a new free passage program to attract immigrants to that province. What discussions have there been between the federal department and the government of Manitoba? How has the Manitoba scheme been working? How will it fit in with the proposals to follow this resolution? Have any of the other provinces adopted such plans or are they discussing them with the department of immigration? What are the Quebec proposals? What are the results of Premier Johnson's discussions in Paris? I believe the committee is entitled to know the answers to these questions before the resolution passes.

Another matter which I suggest is not at all clear from the resolution is whether transportation costs will be available to former Canadian citizens and their dependants established abroad who seek now to resettle in Canada. I believe this to be a very fruitful field and that travel costs should clearly be available to such persons.

The repatriation of Canadians now abroad is an important factor which should not be airily dismissed. Personally I was gratified that the government has adopted the basic principles of the report of Dr. E. F. Sheffield and Miss Mary Margot McGrail on the retrieval of Canadian graduate students from abroad. That report can be a significant contribution to future Canadian intellectual development.

The house, Mr. Chairman, knows that I am an unregenerate expansionist in immigration policy. Canada simply cannot achieve her manifest destiny without an increase in population much greater than can be achieved by natural growth. We need as well the cultural advantages of the best immigrants from other lands, and we need the continuing stimulus to our economy which expanded immigration brings.

I was disturbed to hear a senior member of the New Democratic party advocating in the house earlier this week a tap-off immigration policy because there is unemployment in some trades. That, sir, is totally contrary to my thinking and my beliefs. A tap-on, tap-off approach to immigration is self-defeating. I believe in immigration as a stimulus, not a depressant, to the economy, and a proper, consistent policy of immigrant selection will create additional jobs for Canadians rather than deprive Canadians of jobs.

Some hon. Members: Hear, hear.

Mr. Bell (Carleton): I do not want to be involved in a chicken and egg argument, but it is demonstrable that our periods of highest immigration intake have been our periods of maximum prosperity and national progress. Which comes first and which comes second, I care not. I believe they go hand in hand, and I hope the minister will pay no attention to the policy of the N.D.P. member of turning the tap off at the slightest sign of economic disturbance. My view is that we must set definite national objectives and then refuse to be deflected from them by every stray wind in the economic atmosphere.

We are prepared to support this resolution, but it simply does not begin to deal with the problem. It is just playing around with the fringes of what is a basic problem. I hope that the minister who has had perhaps the best press and public relations build up, of all

the cabinet, unequalled by any previous minister of immigration, will seek to establish entitlement to the accolades. If the mountainous labours on immigration produce mice of the vintage now under discussion in this committee I say that disillusionment is inevitable and retribution sure.

Mr. Orlikow: Mr. Chairman, we are dealing here with a resolution preparatory to a bill which I understand is to be of a very narrow nature, increasing the amount of money available to the department for loans for assisted passage from $12 million to $20 million. On an earlier occasion when I followed the hon. member for Carleton in discussing the question of immigration I said that whenever I listened to the hon. member speak on immigration it seemed to me that what he was saying was, "Do as I say, not as I did," because to my knowledge this country never had so few immigrants as when the hon. member for Carleton was the minister for citizenship and immigration. I do not blame him. It happens that at that time the country did have large scale unemployment, and any minister in charge of immigration and any government would take that into consideration when setting out objectives.

Before continuing I wish to say I do not know which member of the New Democratic party the hon. member for Carleton referred to when he said that a senior N.D.P. member of parliament had urged turning off the tap on immigration. If there was such a member, I want to say he was speaking only for himself and did not speak for our party. Our party has supported and will continue to support increased immigration. We recognize the fact that there are some problems. We recognize that when there is large scale unemployment that is something which has to be given consideration, but we believe and have constantly said for a long number of years that Canada needs more people and that immigration on a large scale is necessary. That is the policy of our party. We have expressed it previously, and I express it once more on behalf of our party.

We in the N.D.P. will support this resolution and the bill which will follow it. If we are going to have 25 per cent, 30 per cent or 35 per cent more immigration than we have had in recent years, which seems to be the level of increase to date this year, then naturally we shall have to provide more money for assisted passages.

I am not certain that I agree entirely with the hon. member for Carleton who thinks the time has come for us to wipe out the program of loans for assisted passages and replace it by a system of grants covering passage and other expenses of new immigrants. However, if we are to continue having much larger immigration from countries in southern Europe and from countries behind the iron curtain, involving people who are less affluent than those who come from Great Britain and other countries of northern and western Europe, it may be that we will have to assist them both with passage expenses and expenses of their establishment in Canada. This is a question which the department should keep under constant study. The department should not have fixed views on it, and I would hope that the standing committee which deals with immigration would look at this question when it meets again and examine our record in comparison with Australia to see whether we ought to change our policy. It is something worth considering.

I share the feelings of the hon. member for Carleton in expressing disappointment that this resolution and the bill to follow it deal with such a narrow part of the immigration question, particularly in the light of the white paper which promised such basic changes in our immigration policy and in the light of the statement made by the minister to the special joint committee which studied the white paper when he promised even more changes than those enunciated in the white paper and further expansion in the program of immigration.

• (3:40 p.m.)

I am not critical of the minister. The minister gave us a very brief and reasonable explanation of what will be contained in the bill. There is, however, nothing in what the minister said nor in what will be contained in the bill to indicate how far the government intends to go or how quickly it intends to proceed with the principles enunciated in the white paper and the principles which the minister has been enunciating in the speeches he has made all across the country. I join with the hon. member for Carleton and many others who have tried to indicate to the government that along with large scale immigration, which all of us support, tremendous problems will arise and in fact have arisen. The hon. member for Carleton raised in the house—this has been mentioned by myself and other members—the question of the tremendous problem which this country has to face when we have large scale immigration from countries in which the native tongue is

neither English nor French. We have had and will continue to have large scale immigration from countries such as Italy, Greece, Portugal and Spain. I am all for this. It seems to me, however, that when the federal government encourages this kind of immigration it ought to face up to the fact that it is creating tremendous problems for the cities and provinces to which these immigrants come, eventually for the federal government, and indeed for the Minister of Manpower and Immigration who wears two hats.

There has been sufficient research and study for us to know that in cities like Toronto and Montreal the children of immigrants who come from the countries I have mentioned, for example, Italy, are not continuing their schooling. They are not finishing high school even though in cities such as Toronto the educational system is geared in such a way that it encourages them to attend high school. The drop-out rate is tremendous. I am told that the city of Toronto is spending in the neighbourhood of $1,500,000 a year in the field of education to try to encourage these people to remain in school and to learn English so they will be in a position to fit into society.

The Minister of Justice is here. He might well interrupt me as he interrupted my colleague from Danforth the other day when he was discussing the question of housing. I know that under our constitution the question of education is a provincial responsibility. The fact is, however, that these people who can speak neither English nor French are coming to Canada. I support the idea of their coming here. They come here with the encouragement of the federal government.

Unless we can encourage these people to learn English or French so they will be able to integrate into our society and unless we begin to co-operate with the provinces and help to finance the provincial programs so this can be done, the result of our failure to do so will show up a few years from now. At that time the minister in his capacity as minister of manpower will have the problem of trying to find jobs for people who to a large extent will be unemployable simply because they do not know the languages and the other techniques which are necessary in our society in order to find and hold a job. It seems to me that the minister and his department must face up to this problem now and not later.

There is one other problem which I think must be faced by the department. I greet with approval the statement of the minister—and I am sure this is spelled out in the legislation —that from now on the immigration policy of the government will be one in which there will be no vestige of the past discriminations that have been apparent with regard to race, colour and creed. I believe that more than the passage of legislation will be required in order to bring this into effect. In the past we have had not one but many illustrations of cases where officers of the department in the field have made very plain, from the type of questions which have been asked of immigrants and from the treatment prospective immigrants have received, that they do hold discriminatory views. In adopting these new policies it seems to me it is the responsibility of the department to make sure that the people who make the decisions know what is the policy of the department and the government so that discrimination on the basis of race, colour or creed will in fact disappear.

I should like to mention from memory a case which we had recently in the city of Winnipeg concerning an immigrant from the West Indies. This person was ordered to leave the country. He appealed his case. The appeal was refused by the department and he went to the court. The chief justice of the appeal court was scathing in his condemnation of the handling of the case by the department. The department furnished me with a copy of the proceedings of the appeal board. The questions were of a nature which indicated clearly that the officer in charge certainly had discriminatory views. The man was asked whether he was married. He replied that he was not. Then he was asked whether he had any children. I suggest to the minister that no officer of the department would ask that question of a white would-be immigrant. The only reason that question would be asked would be because of the prejudiced view of the departmental officer that somebody who is non-white would have lower morals than anyone else. I suggest that as soon as the legislation arising out of the white paper is enacted the minister and his department should adopt a crash program to educate the departmental officers. I would hate to see the same type of difficulty arise in respect of this department as arose in respect of the manpower offices and which was recently brought to the attention of the minister and his department.

I shall close by saying that if this resolution is merely a simple bill to increase the amount of money in the fund to $20 million in order to assist immigrants with the expenses of their transportation, we in this party will

co-operate with the government. I do not think we will interfere with the passage of this bill through all stages today. I would hope, however, that at a very early date the minister would find some opportunity to inform the house and the country concerning the kind of legislation he intends to bring in to implement the very fine principles which the minister has been enunciating from one end of the country to the other. I should like to see some action on the speeches the minister has been making.

• (3:50 p.m.)

Mr. Cowan: Mr. Chairman, in rising to comment on this resolution this afternoon I might point out that I have no objection to increasing the amount of the revolving fund available to would-be immigrants to this country, but in view of paragraph 34 of the white paper on immigration I feel I must speak in a definite way.

The House of Commons is given little if any opportunity to make comments in respect of the continual demands from one section of this country for better treatment than any other portion. When the announcement was made that certain radio stations were being converted to 100 per cent French usage and efforts were made to introduce the matter in the House of Commons we were told quite blandly by members of the cabinet that this matter had nothing to do with parliament but was a matter for the Canadian Broadcasting Corporation and the Board of Broadcast Governors. All we have to do is foot the bill to the tune of about $143 million this year.

When arrangements were made to provide bonuses for bilingual people as compared with unilingual people an effort was made to discuss it on the floor of the house and we were told then that this was a civil service commission matter which had nothing to do with parliament. We now have before us a resolution to increase from $12 million to $20 million the revolving fund to assist immigrants with the expenses of their transportation to Canada, and I relate the resolution directly to paragraph 34 of the white paper on immigration.

I have a copy of the white paper in my hand as well as four statements by the Minister of Manpower and Immigration in respect of the white paper. May I preface my remarks by pointing out that the term "white paper" is a colloquial term for a government statement of policy. This definition is taken from page 659 of the Encyclopedia of Parliament by Norman Wilding and Philip Laundy. Mr. Laundy, by the way, is now a senior officer of the parliamentary library, having been engaged previously in similar work in Southern Rhodesia. He writes that "white paper" is a colloquial term for a government statement of policy, and I should like to emphasize the adjective "colloquial" because there are people in this country who might tell you that a white paper is something that can never be criticized, as if it almost came down with the tablets from the top of Mount Sinai.

I happen to be on the immigration study group of the Liberal party and I attended a number of meetings with the deputy minister and on occasion the present minister to discuss matters of immigration of importance to this nation. I was present in the minister's office with a group of Liberal members the night before the white paper came out. The deputy minister was there as well as senior officials of the department, and a very healthy discussion took place in the minister's office at his invitation.

A number of things were said and a number of things transpired that were for the good of Canada, but I will never forget that when one member of parliament asked why we could not look at the white paper that night before it was issued the next day there was absolute holy horror on the part of some at the thought that a member of parliament on the government side of the house should ask to see the white paper before it was introduced. Every member of the Liberal party is supposed to vote 100 per cent for the white paper or be called a rebel, a disturber or a person who does not co-operate with the government. What this really means is the cabinet. I never saw the Canadian immigration policy or white paper until every other member of parliament was given a copy last October, and I have been waiting since for an opportunity to speak about paragraph 34.

Let me also preface my remarks by reference to a statement in that book regarding the C.B.C. to which frequent reference has been made, "Nation and Province" by Professor J. C. Ricker and Professor J. T. Saywell. At page 43 the following statement appears:

> So important is the cabinet that many people use the words cabinet and government as though they were synonymous.

I am sorry to say that members of the cabinet also use the words government and cabinet as though they were synonymous. As a result a private member, so-called, is given no opportunity to discuss many matters and

he does so at the risk of being called a disturber, a rebel, a hermit or a heretic. Private members are never asked about or told anything in advance.

In this regard let me refer hon. members to the remarks of the hon. member for Kenora-Rainy River of last October 31 during the debate on interim supply. They can be found in *Hansard* for last year at pages 9342 and 9343. At that time he pointed out that private members are asked nothing but are supposed to support measures laid before them without prior notice. The hon. member for Carleton need not think he is standing alone in not being advised of what is to be placed on the floor of the House of Commons. He is only one of a host of members including those on the so-called government side who are not told what is coming before the house.

In reference to paragraph 34 of the white paper let me point out that I speak only for the 70 per cent of the people of this country who are not French speaking, and no doubt I will be called a rabblerouser for speaking in this way. I have in my hand a copy of the March 20, 1967, issue of the Ottawa *Journal*. Under a two-column heading "Chretien Tells Rally", and, "French Must O.K. Cabinet Moves", we find the following statement:

> Jean Chretien, parliamentary secretary to finance minister Sharp, said during the week end that French Canadian members of the federal cabinet "are in a position of strength at Ottawa".
>
> "Nothing can be done without the agreement of the French speaking ministers," Mr. Chretien told a Liberal meeting here.

This article refers to a statement he made at Lachute. It is interesting to note that in Quebec French Canadian votes for the Liberal party during the last election, as shown in the returns by the chief electoral officer and in the Parliamentary Guide, numbered 742,824. The Liberals did not even receive half of the votes in the province of Quebec. The Liberals are in a minority position in Quebec, but according to Mr. Chretien nothing can be done without the agreement of the French speaking ministers. If the English were to say that nothing could be done without the agreement of the English speaking ministers, we would be called trouble-makers and told that there were minorities in the house which were being ignored. I am talking about majorities being ignored. The 742,824 French Liberal votes in Quebec represented 9.5 per cent of the total vote polled in Canada in the last election, but as the former parliamentary secretary said, nothing can be done without the agreement of the French speaking cabinet members.

I could go on at length in this regard but immigration is the matter before us. Requests are always being made by the French speaking section of this country for special treatment. The premier of Quebec has said that he will ignore the Supreme Court of Canada if it makes a ruling with regard to the pension rights of the provinces. We have all heard the statement that Labrador should be turned over to Quebec, that all the islands in Hudson Bay and Hudson Strait should be turned over to Quebec, and that the Indians and Eskimos in Quebec should be removed from the jurisdiction of the Department of Indian Affairs and Northern Development and placed under the jurisdiction of Quebec. I hope no one thinks that this is the end of the requests which will come from that one section of confederation. The Quebec federation of St. Jean Baptiste Societies is urging that all new Canadians not of British origin who enrol children in Quebec schools for the first time this fall be compelled to place them in French language schools.

The *Globe and Mail* of Wednesday, May 10, 1967, contained the following statement:

> It would be dismaying to think of Quebec responding to these advances by adopting a policy of compulsory designation of schools to all newcomers—

Whence came this idea? It came from no other source than the Canadian government's white paper on immigration dated October, 1966, and issued by the Minister of Manpower and Immigration. In paragraph 34 we read, for the first time in the history of Canada, that the Canadian government—the minister really means "cabinet", not "government" —that the present cabinet is anxious to change the age-long actions of immigrants to Canada settling west of the Ottawa river. This policy is set out in paragraph 34 of the white paper on immigration and reads as follows:

• (4:00 p.m.)

> There is a broader consideration affecting the distribution of immigrants. While it has been spread more widely since the war than often in the past, it is still true to say that immigration effectively begins at the island of Montreal and goes west. The rate of immigration to areas east of the Ottawa river is generally low. Thus, disproportionately little of our immigration increases our French speaking population. This is largely because France, for many years now, has felt for itself a problem of relatively declining population and therefore has been much more discouraging of emigration than a country such as Britain. However, it also appears that some potential immigrants have felt

that Quebec has provided a less favourable environment for immigrants than have most of the English speaking provinces. Accordingly, while a good many immigrants arrive with little knowledge of either of our official languages—

That is incorrect, but it is here in a so-called government white paper. There is only one official language in Canada.

—English is the language that is most often learned. This is an imbalance which the government—

He means "cabinet".

—is anxious to correct by any practicable means.

In paragraph 40 the minister writes that immigration must be closely related to truly national objectives. Surely we are entitled to ask, is one of these national objectives going to be the forcing of immigrants into the area east of the Ottawa river in order that the cabinet may correct the imbalance between English speaking and French speaking people as outlined in paragraph 34?

In a ten-page memorandum outlining "A New Selection Policy for Immigration", dated April 10 and issued by the minister, it is stated:

Lastly, there is the question of where in the country the immigrant is going. If he is aiming at an area where employment prospects generally are strong, his chances of satisfactory settlement will be improved even if his qualifications are somewhat marginal.

On pages 3 and 4 of "Background Notes for White Paper on Immigration" the minister advised the House of Commons immigration committee:

In paragraph 34 it is stated that the government proposes to seek a solution to the imbalance existing at present in the integration of new arrivals into English and French speaking communities. One very important project which has recently been launched is an exhaustive study of the problems of adjustment facing new French speaking arrivals especially in French speaking communities with a view to attracting and holding more substantial numbers of French speaking immigrants. The first phase of this research program will involve interviewing in depth representative samples of French Canadians, fairly recently arrived French immigrants and lastly French speaking immigrants who for one reason or another have found it necessary to return to their native countries. This first phase will also involve an examination of the attitudes of French speaking populations toward emigration to Canada and to French Canada in particular. The second phase of the program is to consist of a larger study of French speaking immigrants designed to establish their geographic, occupational and job mobility patterns and to discover the underlying economic, social and psychological forces determining their attitudes.

Of possibly more immediate effect is a re-evaluation of our operations in France with a view to improving our capabilities there.

[Mr. Cowan.]

These statements clearly say that certain people seem determined to direct immigrants to that part of Canada east of the Ottawa river, although members of parliament like the hon. member for Villeneuve keep rising in the House of Commons to ask why it is that unemployment statistics for the province of Quebec month after month and year after year are 35 per cent of the national unemployment total. These figures are borne out by the Dominion Bureau of Statistics reports for December, 1966 and January, 1967. The four Atlantic provinces have an even greater proportion of unemployment than Quebec.

These two excerpts from the white paper on immigration clearly show a conflict in planning. In one sentence we are advised that if the immigrant is aiming at an area where employment prospects generally are strong his chances of satisfactory settlement will be good, while the second quotation intimates that the cabinet wants to increase the settlement of immigrants in provinces east of the Ottawa river where unemployment is high, in an effort to correct what is described as an imbalance between two tongues.

I have in my hand a statement showing the equalization payments made to the various provinces from 1959-60 to 1967-68. These so-called equalization payments run into millions of dollars, in the case of Quebec $260 million this year. These so-called equalization payments are based on provincial population. They are the payments that the Canadian government makes to the "have not" provinces, as they are described or as the Minister of Finance described them, as found in *Hansard* of March 9 of this year, the "less fortunate provinces." These equalization payments are made to the "have not" or the "less fortunate" provinces by the federal government by the simple expediency of withholding federal funds from what are known as the "have" provinces, namely, Ontario, Alberta and British Columbia.

The table of figures which I received from the Department of Finance this very month shows clearly that every one of the five provinces east of the Ottawa river is a "have not" province or a "less fortunate province", in the words of the Minister of Finance. Yet according to the white paper on immigration we are to advance help and money to settle people in the "have not" provinces because they are east of the Ottawa river, rather than let them find their own way to the fortunate provinces of Ontario, Alberta and British Columbia which are described as "have" provinces for the basis of calculating equalization payments

that are being made to some provinces which are not entitled to them at the present time and never have been entitled to them.

Now that the white paper on immigration has publicized the cabinet's evident desire to correct an imbalance in the populations speaking the two major languages in Canada, I desire to know just how great this imbalance is supposed to be. Is it of such dimensions that it will take years of very heavy immigration to satisfy the desires of the cabinet, or is it of such minute proportions that the country might be expected to adjust the figures to the satisfaction of the administration in a short time? Are we going to refuse admission to Canada because of this so-called imbalance, of well educated and skilled persons who speak one language and give preference to people of another language even if their skills and education are not the equal of those would-be immigrants of another tongue? I am anxious to learn as soon as possible just how great an enterprise Canada is expected to take on in its efforts to correct this so-called imbalance.

For that reason I endeavoured this month to place a written question on the order paper of the House of Commons in an effort to ascertain just how serious a challenge has been made to Canada by the cabinet. Therefore I addressed this question to the Clerk of the House of Commons with the request that it be placed on the order paper:

Question, May 8, 1967

In the white paper entitled "Canadian Immigration Policy, 1966" it is stated that "while a good many immigrants arrive with little knowledge ... English is the language that is most often learned. This is an imbalance which the government is anxious to correct." What date in Canadian history was satisfactory to the present cabinet as the day on which the imbalance between French and English speaking peoples would have been satisfactory to the cabinet? Will this be the target of the cabinet's efforts as mentioned in paragraph 34 of the white paper?

You will be interested in the reply I received from the Clerk Assistant of the House of Commons:

When you ask what date in Canadian history was satisfactory to the present cabinet about a certain proposition it seems to me this is contrary to citation 171 (gg) which says that a question must not "seek information about matters which are in their nature secret, such as decisions or proceedings of cabinet, advice given to Crown by law officers, etc ..."

It seems to me also that the question is contrary to citation 171 (w) which says that a question must not "raise a matter of policy too large to be dealt with in the limits of an answer to a question."

• (4:10 p.m.)

The white paper sets out policy, and although we know there is a white paper on immigration we never saw the policy which is set out in it before it was issued. The answer continues:

—your question is against Citation 171 (bb) which says that a question cannot be asked which "asks the government's opinion on matters of policy".

From this reply one realizes that Canada is expected to correct a situation mentioned by the cabinet of which we have not been given the dimensions. Is this a task which is going to occupy us during the remainder of our taxpaying years, or will our children and grandchildren have to slave to correct this imbalance which is as yet undefined?

The Chairman: I must advise the hon. member for York-Humber that the time allotted to him has expired.

Some hon. Members: Continue.

The Chairman: Does the hon. member wish to continue? Is there unanimous consent to allow the hon. member to continue?

Some hon. Members: No.

Mr. Churchill: He is denied more time by his own party.

Mr. Cowan: Mr. Chairman, may I point out that if I am not allowed to complete my speech at the present time I will continue on second reading. I would rather finish it now but I will do so on second reading if at no other time.

Mr. Alkenbrack: Liberal dictatorship.

[*Translation*]

Mr. Mongrain: Mr. Chairman, as many others, I did not intend to speak, to avoid delaying the resolution introduced by the minister. But it will be understood, Mr. Chairman, that after the aggressive and insulting remarks of the member for York-Humber (Mr. Cowan) I cannot be silent and give the country, particularly the people of my province and those of my constituency, the impression that we are willing to hear such things without recording at least a protest.

Fortunately, I do not believe that Canadians of the ten provinces are as narrow-minded as the member for York-Humber. Quite the opposite, I think that most are more open-minded and this gives us ground to hope, that

we shall very shortly achieve what we call national unity at home.

I should like to tell the member for York-Humber that he is light-headedly adding fuel to the fire, that he is creating dissent in this country and that his conduct is that of a traitor to confederation, in saying such things.

Mr. Chairman, at a time when the country is confronted with various problems, when we are nearing the solutions to these problems in short, at a time when all men of goodwill are ready to sit at the conference table to try to ease the remaining differences of opinion, it is most unfortunate that a man who has been elected to this parliament should gleefully try to undo what most parliamentarians are trying to solve in this year of the centennial.

The member for York-Humber said in this house a few weeks ago that his grandfather was buried in the cemetery at Trois-Rivières. May he rest in peace. Although I did not know him, my feeling is that the grandfather of the member for York-Humber showed more intelligence and more true Canadianism than is being shown here by the member for York-Humber.

I think, Mr. Chairman, that the member for York-Humber should be reminded that in my province and in my constituency English-speaking Canadians are treated with much, much more understanding than he extends to French speaking citizens. I wish to remind him once again that, in our area, we accept immigrants from all countries, but especially from England and Ireland, that they are addressed in their own language when dealing with municipal, school and provincial authorities. They are members of our organizations and clubs.

Even though I represent one of the oldest French cities in North America, I cannot remember within living memory having witnessed any racial quarrels in Trois-Rivières. There are 23,500 French speaking families in my riding and only 497 English speaking families, but we get along well together, because we try to put into practice the word of the Gospel which promises peace to men of good will if they keep on living in mutual understanding instead of showing a destructive fanaticism, as the hon. member for York-Humber does at every opportunity.

Mr. Chairman, I am quite surprised to see that the Liberal party tolerates within its ranks someone who is far from advocating the Liberal philosophy of mutual understanding between the two races. I am even under the impression that the Conservative party would be embarrassed to have him as a member, because I have still to find, or even to hear such inflammatory statements by members of the Conservative party or of any other party in this house.

Even though some members of other parties, or of the Liberal party, share to a certain extent the views of the hon. member for York-Humber, I agree that they have at least the decency not to abuse and to refrain from adding fuel to the fire, which would make our present difficulties more complicated. I think that the immigrants who come here—

Mr. Choquette: Mr. Chairman, would the hon. member allow me a question?

Mr. Mongrain: Certainly, Mr. Chairman.

Mr. Choquette: Is the hon. member aware that the hon. member for York-Humber has been formally disowned by the Prime Minister (Mr. Pearson) and the chairman of the national caucus as the result of his statements?

Mr. Mongrain: Mr. Chairman, I think the hon. member—

[*English*]

Mr. Cowan: Mr. Chairman, I rise on a point of personal privilege. The two statements made by the hon. member for Lotbinière are absolutely incorrect.

Mr. Choquette: Mr. Chairman, on the same point of privilege—

[*Translation*]

Mr. Chairman, the hon. member for York-Humber made statements which were publicly disowned by the chairman of the national caucus and by the Prime Minister, who has already said that a member with this kind of ideology did not deserve to be recognized by the Liberal party. This is what was said.

Mr. Mongrain: Mr. Chairman, I wish to thank the hon. member for Lotbinière (Mr. Choquette) for reminding me exactly of what I read myself and what the other members have read in the papers, not very long ago. Of course, I was not there to ascertain facts, but I believe that the papers would not have made such reports if it had not been the truth.

In any case, Mr. Chairman, I also wish to repeat for the guidance of the hon. member for York-Humber and those who might share

his view—I believe there are very few inside these walls and I hope that there are no others—that the province of Quebec is not claiming any special privilege which the other provinces do not enjoy.

If it does happen that, from time to time, we want to run our own business, while other provinces are satisfied with the management of federal government in certain fields, that is due to the fact that there are Canadians in other areas, fortunately very few, who take extremist attitudes, such as that of the hon. member for York-Humber, and who insult us in our most legitimate pride and lead us to feel some concern, in this kind instinct of self-preservation which is ours. We want to live as Canadians, as full-pledged Canadians; we want, in this country, to accept our share of sacrifice and to discharge our duties.

• (4:20 p.m.)

There are certain fields, in Canada, which are essential, which are part of our own being, as for instance our tongue. When we talk about promoting French-speaking immigration, I can reassure the hon. member for York-Humber (Mr. Cowan), because it has never been a great success up to now, and it seems that things will not improve, since the French people do not seem very inclined to emigrate to Canada. We simply want to give them the opportunities enjoyed by all the other races and particularly by the English-speaking people.

I would advise all hon. members who care to be men of goodwill to come and live for a few weeks in the province of Quebec, in my riding, where I shall have the pleasure to guide them and to introduce them to everyone, so that they may discover the true image of the province of Quebec. I do not invite the hon. member of York-Humber, unless he would come to pray on the grave of his venerable grandfather and ask for his forgiveness for all his insults to the people of my town who honour his memory, since he rests among us.

Mr. Grégoire: Mr. Chairman, I should like to say a few words on the resolution moved by the hon. Minister of Manpower and Immigration (Mr. Marchand). I feel the minister could have given us more details in his opening statement.

We are now being asked to increase from $12 million to $20 million the amount to be spent on encouraging immigration to Canada. Now, Mr. Chairman, it is all very well to increase it from $12 million to $20 million, but what is the aim of the minister? Are we asked to increase the amount because transportation costs more or because the immigrants are asking higher loans? Is it that more immigrants are to come or that the same number will come but from farther away, or what? Is it that immigration to Canada is to be increased or merely that it has grown more costly to install immigrants? The minister told us nothing about that. Of course, he can make it up on second reading.

I also wish the minister would inform us of the results of representations undertaken by him in his last visit to Paris, where he made what is referred to as a special effort to facilitate the entry of French immigrants into Canada. I should like to know whether the minister can inform us of the results of his representations. If there were any increases, what were they? I should also like to know whether those French immigrants who came to Canada have settled mainly in Quebec or in other provinces. I believe that the minister could take the opportunity provided by the presentation of this bill to give us some information.

Now, I do not want to talk any longer, Mr. Chairman. I simply wanted to put those few questions to the minister, for they are points in which we are interested.

Now, I wonder also whether the last public statement made by the hon. Minister of Manpower and Immigration is likely to encourage French immigration? When, for instance, the minister states that the recent agreements between France and Quebec may serve France's imperialistic designs with respect to Canada, one has but to note the general reaction to such a statement, in the Quebec government as well as in the Quebec newspapers, to wonder whether the minister should not finally retract and admit that, during an election meeting, his words may have gone beyond his thought. Anyway, if the Minister of Manpower and Immigration contends there are really French imperialistic designs here, in Canada, does he believe when saying so, that those designs will be met by means of a greater French immigration? Will the minister then endeavour to discourage French immigration, for fear those new French immigrants should come here to help the imperialistic designs that he himself may see in certain agreements entered into between France and Quebec?

Since we are speaking of immigration, Mr. Chairman, and since I know that this last statement may influence somewhat the quality and quantity of French immigration to Quebec and Canada, I wonder whether the

minister should not also take this opportunity to apologize, or to correct or explain his last statements. The minister will perhaps thank me for giving him this opportunity, for I am convinced that the cannot be very pleased. His statement may have been wrongly interpreted, which can happen; newspapermen are often very busy and may misconstrue a statement. That is what I want to believe, Mr. Chairman, for that statement is so patently unfounded and rash as to be quite incredible. We would rather believe that it is a sort of ostracism on the part of a federal minister that Quebec could have signed certain agreements with the French government. Perhaps the minister made his statement out of resentment? But, in that case, I would tell the Minister of Immigration that he should not resent the agreements concluded between Quebec and France. On the contrary, he should be glad and, instead of seeking to lessen their effect, try to derive maximum benefit from these agreements for his French-Canadian countrymen in Quebec.

Therefore, Mr. Chairman, I think the minister should, on second reading of this resolution answer the questions put to him by myself and others. I also think he should prove his understanding and use his judgement. He should be glad to take the opportunity I am giving him to explain or correct some of his statements which have been published in the newspapers. They may have been somewhat altered but the minister should set the record straight. If it should happen, and I would find that hard to believe, that the minister has actually said something like that I think that, in that case, he should apologize, retract and admit—and we will understand that, Mr. Chairman—that his words went beyond his thought. We will understand.

And I shall tell him, in conclusion, that a fault confessed is half redressed. Therefore, I hope that the minister will accept to set the record straight. He has a good opportunity to do so. Otherwise, the minister will be in a worse situation, because I was reading a few minutes ago what an editorialist of the newspaper *La Presse* said:

> Mr. Marchand really considers us as a bunch of idiots.

I think that the minister would not like to leave that impression, especially among editorialists, and still less among those of *La Presse*. This editorialist said also that the minister is spreading apprehension. I am convinced that the Minister of Manpower and Immigration does not intend to start here in

Ottawa witch-hunting activities as Quebec has known during the Duplessis period. I think the minister protested too much against that to play the same game and do exactly what was done during the Duplessis period, when the minister was president of the C.N.T.U.

In my opinion, the minister has a good opportunity to set the record straight and, if necessary, to retract himself, since a fault confessed is half redressed.

[*English*]

The Acting Chairman (Mr. Ryan): Shall the resolution carry?

[*Translation*]

Mr. Grégoire: Mr. Chairman, could the minister give us the same explanations?

Mr. Marchand: Mr. Chairman, I would have no objection to do so if we proceeded immediately to second reading and I would answer at once the questions which have been put to me.

Mr. Grégoire: Mr. Chairman, could the to point out to the minister that the procedure at the resolution stage is not the same as that on second reading. The minister can very well deliver his speech on second reading, but we would not have the opportunity to ask questions or obtain information while, at the resolution stage, we have, according to the procedure, that opportunity.

• (4:30 p.m.)

Indeed, at the resolution stage, we have, according to procedure, that opportunity and the minister will admit that being in a rather remote corner, I will have fewer opportunities to obtain some information on second reading than at this stage.

Now, I am wondering if the minister could not do it now.

Mr. Marchand: Mr. Chairman, I can answer some questions asked by the hon. member for Lapointe (Mr. Grégoire) and also by a few other hon. members.

In the first place, the hon. member for Lapointe asked if French immigration had increased since my trip to France several months ago. As for statistics, comparison of the first four months of 1967 with the same period in 1966, there were 962 French immigrants during the first four months in 1966, and 1,726 French immigrants in 1967.

Now, he has asked many questions of a statistical nature which I am unable to

answer, such as where are all those people located? And that, I do not know.

Mr. Grégoire: That is your general answer.

Mr. Marchand: Generally, French immigrants get more easily established in Quebec than in other provinces, but this does not mean that the majority choose to remain in Quebec. Rather, more of those French immigrants remain in Quebec, as compared to immigrants whose native tongue is not French.

The hon. member for Lapointe wanted to know why we are asking for that increase from $12 to $20 million. First of all, the house is aware that this fund is used for loans and not gifts, which means that the money loaned to immigrants is usually paid back within a period of 24 months.

But over the last few years immigration has increased tremendously, it has gone up from 75,000 people in 1962 to almost 200,000 this year and, according to available statistics, there will probably be an increase of 20 to 25 per cent this year, which means that nearly 250,000 immigrants will probably come here.

Therefore, because there are more immigrants, a greater number of them are using our loan program devised to assist the immigrant and his family with their transportation expenses. At the present time, over $10 million are tied up in loans which will, of course, be paid back to the government. But if we do not increase the amount in the fund from $12 to $20 million, within a few weeks, and possibly within a week, we will run short of money to make loans to immigrants who want to come to Canada under the accepted principles.

That is the only explanation, there is no other. It is not in view of a future policy, it is simply to continue the present program.

There is no doubt—and I think that the hon. member for Carleton (Mr. Bell) understood it—that it is a very special amendment, that there is no question of reshaping government policy in the field of help to immigrants.

It is simply a question of enabling us now, before the joint committee of the House of Commons and Senate makes its report, to continue our assistance to the immigrants coming to Canada under the program already adopted by the government and which has been operative for more than 15 years. I think it was implemented first in 1951 and has been amended a few times.

But he asked whether our intention was to implement the principles laid down in the white paper. I can assure the hon. member for Carleton that our intention is to extend this program to all countries of the world.

As he mentioned, these loans were extended only to immigrants from certain countries of Europe. Last year, it was extended to the people from the Caribbean and, as soon as we have the money, or the available funds and the facilities, we intend to extend it to all immigrants from any part of the world.

I make here a formal statement about it and I hope he will be satisfied; we are proceeding along that line, and I hope we will achieve our objective as early as possible.

From our estimates, if the amount is increased from $12 million to $20 million, we will have enough money to extend the program to any country, regardless of the immigrants' origin.

Obviously, one can say it is not a new policy; an opportunity to discuss it further will be provided when the joint committee report is submitted to the house. Then, we shall be in a position to discuss this angle and I shall be quite willing to do so. At present, however, if for one reason or another, the house refuses to increase this amount, it would not mean the end of Canada, of course, not even the end of our immigration policy, but it would mean that a certain number of immigrants would be denied the help offered to them.

Now, I do not want to take the house by surprise, but I intend to propose an amendment to the regulations about loans to immigrants.

This amendment deals with the interest rate. At present, these loans are granted to immigrants without interest. I do not think this is a good policy, and I want to explain why. At any rate, I do not believe that charging interest would reduce the number of immigrants to Canada. I do not believe the interest would be high enough for that. But, at the present time, we realize that more and more people take advantage of the plan, but there is nothing to show that they really need the money we lend them.

In other words, some immigrants with money, who could afford to settle in Canada on their own, might take advantage of the plan, keep their own money and perhaps invest it at 6, 7 or 8 per cent interest, while obtaining from us interest-free loans.

I feel, Mr. Chairman, that it is reasonable for us to charge interest—I intend to suggest a rate of 6 per cent—first of all, to encourage early repayment to the government and, in the second place, to limit the loans as

much as possible to the immigrants who need them. I do not believe it would be fair to the Canadian taxpayers that an immigrant, having money, should come here with the help of an interest-free loan from us, which he could repay over a 24-month period. Therefore I think this is normal.

On the other hand, when we consider the federal aid-to-immigrants policy, Mr. Chairman, I would prefer a more generous set-up. That is if, at a given time, immigrants were needed and if some of them were really in financial straits it might be better then to give them money outright rather than to make loans to them.

At the outset, when the program was established some four per cent of the immigrants took advantage of our loan program. Today, that proportion has reached 25 per cent and when the scheme will become better known, every immigrant will probably try to obtain money from the government, which will add up to fabulous sums.

I therefore advise the house that I intend to ask the cabinet to allow a 6 per cent interest to be charged on those loans.

Of course, Mr. Chairman, some matters that are not at all relevant to the bill now before us have been brought up. As for the statement repeated here this afternoon by the hon. member for York-Humber (Mr. Cowan), we have heard here and there throughout Canada, that if the number of Canadian citizens of that ilk and with the same attitude was to increase somewhat, the situation in this country would become absolutely intolerable and would bring about, in my opinion, extremely serious consequences. If I were convinced that most members of this house shared the views of the hon. member for York-Humber, I would prefer not to stay here.

• (4:40 p.m.)

I believe that the policy set forth in the white paper, whether the hon. member for York-Humber likes it or not, is the policy of the government. It is the policy approved by the cabinet, it is the policy which has been set forth and with which the members are acquainted, and if the hon. member for York-Humber disagrees basically with that part, he knows what to do and how to behave. Insofar as we are concerned, it is government policy.

The hon. member for Lapointe (Mr. Grégoire)—and this concludes my remarks, Mr. Chairman—referred to a statement made by myself. As I said earlier, he was extremely nice—it is the kind of friendliness that can lead us in the most terrible traps—but at any rate, he indicated that I had expressed some fear in Quebec city about those agreements with France.

Indeed, the contrary is true. And the newspapers were very honest in that regard. I said and repeated that I approved of Quebec signing agreements, especially of a cultural nature, with France; in short, that it was a good thing which should be continued. Only, I mentioned, that is true and I repeat it, that I am against imperialism; in other words, I disapprove of another country using Canada or part of Canada to achieve its own ends; and what is true of Great Britain, of the United States, is also true of France. I feel that Canada must be its own master. I did not attack the agreements signed between Quebec and France; on the contrary, I fully agree. Only, I feel that if the provinces are going to sign agreements right and left with other governments, care must be taken to safeguard that country which is even closer than France to French Canadians, that country which bears the name of Canada and which is our country.

Mr. Grégoire: Mr. Chairman, would the minister answer a question?

Mr. Marchand: Yes, Mr. Chairman.

Mr. Grégoire: While it was reported in the press that the minister had stated in Quebec City that those agreements should not lead to imperialistic designs by France, the minister says that he made no such statement. So, does the minister mean that he did not say that, contrary to what was reported by the press?

Mr. Marchand: Mr. Chairman, I have just mentioned what I had said, namely that I was in favour of those agreements. I simply said that when concluding such agreements, since that can be done by any province, care must be taken to make sure that countries do not use those instruments to enslave Canada, because France, like other countries, has interests. We must not imagine that. France, like the United States, has its own interests.

Mr. Grégoire: Are those interests imperialistic designs towards Canada?

Mr. Marchand: Mr. Chairman, I think I have made my position clear. I do not intend to open a debate on this matter. The proposed resolution which is before the house is very simple, and I hope that the house will let us go on to the second reading of the bill, so

that immigrants will be not deprived needlessly of the help we can give them.

[*English*]

Mr. Haidasz: Mr. Chairman, I agreed with the acting house leader to defer the remarks I had intended to make on the resolution but I was hoping that in the course of his explanation the minister would give us fuller information concerning the assisted passage loans which are in effect at the present time. I should like to know the number of loans made according to country of origin. I should also like the minister to tell us whether any incentives are offered to these immigrants to settle in parts of Canada such as the prairie provinces and the Canadian north where labour is needed.

Mr. Marchand: I do not have all the details for which the hon. member is asking.

[*Translation*]

Between 1962 and 1966, the number of immigrants increased from 74,000 to 194,000. In 1962, 3,451 people, or 4.5 per cent of the total number of 74,000 immigrants, benefited from our assistance program. In 1965, out of 194,000, 47,000 that is 25 per cent, took advantage of our plan. Now, I have all the in-between percentages, that is 4, 10, 15, 19 and 25 per cent, that is the number of immigrants who availed themselves of it.

Now, I do not have them by country of origin, but I can certainly get them. About 250,000 immigrants availed themselves of that plan since its inception.

Among those 250,000 immigrants, 7,200 have not yet reimbursed their loans that is they have overrun the three-year period. Bad loans, about 8 per cent, were lost, because either the immigrant did not stay in Canada or he became ill, or he was deported. It is less than 1 per cent, that is 0.8 of 1 per cent which were lost; the rest were recovered. On the whole, I think that the immigrants have kept their word and their commitments and they have reimbursed the Canadian government. As to the details, namely what immigrants of what country obtained loans, I do not have them. I shall try to get them and as soon as I do, I shall send them to the hon. member.

[*English*]

Mr. Rapp: Mr. Chairman, numbers of Canadian citizens have sponsored immigrants from other countries and on occasions these applications have been refused without any reason being given. The applicant has not been told whether the refusal was based on security considerations or health reasons, for example.

A number of my constituents have asked me to bring this matter to the attention of the house and to suggest that if this information were given to the applicant or to his sponsor much of the dissatisfaction felt at present with the immigration laws might be removed.

Mr. Marchand: We had a long discussion in the house on that subject when we debated the bill to set up a board of appeal. The hon. member for Carleton made quite a case, I recall. I do not believe I have any answers to give other than those which were given at that time. There are certainly situations where it is impossible to give reasons, where it would not be healthy to do so, not only for the government but for the immigrant himself. We have discussed this subject at length. Maybe I could find the appropriate reference in *Hansard* and draw it to the hon. member's attention.

Mr. Alkenbrack: Mr. Chairman, this resolution has interested me and I am prompted to ask a few questions of the minister. I notice it asks parliament to provide an additional $8 million, increasing from $12 million to $20 million the present limit on the total amount of outstanding advances at any one time that may be made to enable the Minister of Manpower and Immigration to make loans to immigrants to assist them with the expenses of their transportation to Canada.

Are any other expenses included when these loans are made? Can immigrants use this money for subsistence purposes until they become self-supporting? What security is given by the immigrants to guarantee the return of the money lent? To whom do borrowers report from time to time? What is the rate of repayment and where is repayment made? Immigrants are sometimes difficult to locate in a country which is almost 4,000 miles broad. Does an immigrant who borrows money under this scheme sign a promissory note and, if so, are co-signers required? What is the duration of the loan? Does the department fix the repayment period so that it knows the money will be promptly repaid?

The minister has told us he will recommend an interest rate of 6 per cent. Canadian citizens generally have to pay this rate at the present time so I think it is a privilege for immigrants to be able to borrow at 6 per cent. I do not say I am against this; I am glad to

see that interest is being charged. I notice that the minister gives figures going back to 1962, which suggests that 1962 is the year in which the plan was first introduced. What losses have the Canadian people sustained as a result of non-payment of these debts or failure to honour contracts entered into with the government?

• (4:50 p.m.)

I would also remind the minister that I wrote his department early in the spring regarding a prospective immigrant from Trinidad who has a wife and one child. He has been guaranteed a job upon arrival by the United Church, and they wanted him in western Canada by May 1. After several letters back and forth between the department and myself we finally got the examining team in Trinidad to go to his place of residence to determine his fitness and that of his family to enter Canada. Last week I received a letter saying he probably will not be able to enter Canada until about the middle of June.

This man is not asking for a loan. All he asks is to be admitted to Canada to work for the United Church in a pastoral charge arranged for him on the prairies. I am informed that he will earn roughly $100 a week. He is self-supporting and has other assets besides an assured job. I think the department is procrastinating, feeding out the red tape very slowly. He could probably have been here by mid-May but now will not arrive until mid-June. He is a worthy case and I know he will be a credit to Canada. I hope the minister will expedite matters in his regard.

Mr. Marchand: So far as this case is concerned, if the hon. member will give me the name I shall look into it.

Mr. Alkenbrack: I will give the minister, the name.

Mr. Marchand: With regard to the hon. member's other questions, I think I answered a few of them in French. The total amount of loans made since the start of the plan in 1951 is $41 million and the total amount written off, money we have lost, is $330,000, or .8 per cent. The reasons for the write-offs and the percentages are as follows: out of country, 55 per cent—immigrants who came here and rushed to the United States—cannot be located, 26 per cent; chronically ill, 7 per cent; deported, 4 per cent; deceased, 3 per cent; bankrupt, 2 per cent; mentally ill, 1 per cent; permanently disabled, 1 per cent, and repatriated, one half per cent. For a 15 year program this is not at all bad.

[Mr. Alkenbrack.]

Usually these loans are repaid on a 24-month basis, but if there are good reasons to do so the department can prolong the period or shorten it to suit an immigrant. The money can be repaid directly to the department or through deductions from the pay of immigrants. An immigrant must sign a document committing himself to repay the government the full amount. I do not know if this answers all the hon. member's questions but I think it covers his main questions.

Mr. Cowan: Mr. Chairman, I am fully aware of the rules and regulations of the house as they apply to the resolution stage of debate, but it has been suggested to me that if I were to rise now, and were given unanimous consent, I could conclude my remarks.

The Chairman: Under standing order 61-A which applies to resolutions preceding money bills, and pursuant to a ruling made by Mr. Deputy Speaker Lamoureux on April 27, 1965, no member of the committee while this particular stage of debate is taking place can speak for more than 20 minutes. According to the ruling a member may speak more than once but the total time he can speak is 20 minutes. On the other hand, the committee is master of its own rules and if it wishes to give extra time by unanimous consent to the hon. member for York-Humber, then of course he would be permitted to speak. If we are going to adhere closely to the rules, the hon. member for York-Humber has had all the time that is allotted to him under standing order 61-A. Does the committee give unanimous consent to permit the hon. member to continue?

Some hon. Members: Agreed.

Mr. Cowan: Mr. Chairman, I wish to thank the committee for their acquiescence in this regard and I will not trespass too long. I was almost at the conclusion of my remarks.

I would point out that in 1759 at the time of the fall of Quebec there were 60,000 French speaking people in North America and 1,500,000 English speaking residents. At the first Canadian census after confederation there were 3,485,761 persons in the four provinces, of whom 1,082,940 were of French origin or 31.0 per cent of the whole. The Canadian census of 1881 showed a total population of 4,324,810, of whom 1,298,929 were listed as French, the proportion being 30 per cent.

The Prime Minister, speaking in Calgary just a few weeks ago, stated that 30 per cent of Canada's population of 20 million souls

speak French, which works out to six million persons. I ask the Minister of Manpower and Immigration again—I have already asked him but he did not answer—how great is the imbalance? It was 31 per cent in 1871. It was 30 per cent in 1881, and the Prime Minister speaking in Calgary in 1967 says the percentage is 30 per cent even now. How great is the imbalance? When do we start to correct it? Will an excess of babies of one particular tongue help to reduce the spread, or must the whole matter be corrected by immigration? Perhaps we shall never know, because I quote again from the letter I have already mentioned:

> —a question must not "seek information about matters which are in their nature secret . . ."

I ask this question because I do not believe there should be a hard and fixed percentage set with regard to any tongue or section of the population. If someone is going to state that the imbalance should stand at 30 per cent what is going to happen if the non-French element rises higher than 70 per cent? What is going to happen if the French element rises higher than 30 per cent? I say there should not be any figure even thought of in this regard and that immigrants should be allowed to go where they can find positions and jobs and can be self-supporting.

I like the statement of the Minister of Justice which appeared in the Montreal *Gazette* of March 14. In addressing the Canadian Club of Montreal on March 13 he said:

> French Canadians must accept the test of competition with the other people in Canada—in trade and commerce, in invention and discovery and in politics in Ottawa. The rules of the game must be the same for all.

Spoken like a man, and spoken like an intelligent man and one who knows the situation quite well.

In addition, the Minister of Manpower and Immigration spoke in Toronto on March 2 at Hart House and was reported in the Toronto *Star* of March 3 as follows:

> The only thing Quebec can do, Marchand said, "is accept things as they are—not as we would want them to be—there is no ideal country, no ideal constitution . . ."
>
> Many of Quebec's resentments should be directed against North America, but "instead, they think they have to resent you," Marchand told the students.

● (5:00 p.m.)

I approve 100 per cent of these two statements by these two ministers. I should like to see the policies which they enunciated in their addresses carried out instead of this policy of correcting the so-called imbalance. The hon. member for Trois-Rivières—formerly it was Three Rivers but of course the name was changed to Trois-Rivières in the interest of national unity—made some personal comments with regard to myself, as has the Minister of Manpower and Immigration. I should like to point out that I sat in this chamber one evening and watched one member of the cabinet and a parliamentary secretary vote against a government bill in committee of the whole. I did not hear any uproar about the action taken by those two gentlemen. I admired them for having the strength of their convictions and for having voted against that bill. Look at the uproar which developed when the President of the Privy Council made a speech in Toronto. He did not vote against a government bill. One of the gentlemen who opposed the government bill later was made a cabinet minister. The expression of opinion one receives from members of the Liberal party evidently depends on what language one speaks.

I admire the President of the Privy Council for the statement he made. I could not criticize him for having expressed his own opinions. I do not criticize the cabinet minister nor the then parliamentary secretary for having voted against a government bill. I believe the majority opinion of the House of Commons and not a majority engendered by some party should be the law of the land. We should have a free expression of opinion from the best minds in Canada and a majority of the House of Commons is the closest approach to this situation we could have.

I have four questions I should like to pose to the Minister of Manpower and Immigration. I hope he will endeavour to answer them. First, how great is this imbalance in the minds of members of the cabinet? I have quoted the figures for 1871 and 1881 and have referred to the Prime Minister's address in Calgary in 1967. Second, what date is set by the cabinet for a proper balance between the French speaking and English speaking elements as mentioned in paragraph 34? Third, how much of this loan money is likely to be advanced to people who may be diverted east of the Ottawa river, according to the white paper and the statements published in multigraph form by the minister himself?

The fourth and final question is the following: Would it not be best to let immigration seek its own level and not establish a hard

and fast rule between any two tongues, because how will you enforce it if the immigrants and the people of Canada do not observe it but rather follow their own desires and live where they wish to live and speak as they wish to speak?

Mr. Choquette: Mr. Chairman, may I ask the hon. gentleman a question?

[*Translation*]

I shall give the statistics in French. Is the hon. member aware of the fact that 96.3 per cent of the immigrants who came to Canada between 1939 and 1965 came from countries whose mother tongue was other than French and that most of them assimilated with the English culture?

[*English*]

Mr. McKinley: Mr. Chairman, I should like to mention a problem which we have in my riding inasmuch as the minister by means of this legislation is endeavouring to assist immigrants. I refer to a case involving a person from China who is trying to come to our area. The delay in this regard has not been wholly the fault of the department, because it was necessary that some of the regulations be met. I believe this has been done now. When the case began there were only two persons wishing to come to Canada. Now there are three in the family. If I give the minister the name, would he look into this matter to see whether this family may be able to arrive here before there are four?

Mr. Marchand: The only thing I can say is that I shall be pleased to look into the case if the hon. member will give me the name of the person involved.

Resolution reported and concurred in.

Mr. Marchand thereupon moved for leave to introduce Bill No. C-118, to amend the Immigration Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the bill be read a second time?

Mr. Pennell: Mr. Speaker, I do not intend to press the matter, but if it is agreeable to the house I would ask that it be read a second time now.

Mr. Bell (Carleton): Mr. Speaker, in view of the simplicity of the bill and the fact that it only changes one figure we have no objection whatever to the bill being brought forward for second reading at this time.

Mr. Churchill: Are there copies of the bill available?

Mr. Deputy Speaker: I understand that some copies of the bill are available.

Mr. Marchand thereupon moved the second reading of the bill.

He said: Mr. Speaker, in view of the fact that I have already made a statement in this regard it is not my intention to do so at this time.

Mr. Cowan: Mr. Speaker, may I ask the minister whether he would answer the questions I posed during the resolution stage?

Mr. Marchand: Mr. Speaker, I think that this question of balance and imbalance is a very complicated problem. I do not believe I should enter into that debate at this stage. However, whenever we discuss the report of the committee on Indian affairs, human rights and citizenship and immigration I will be ready to discuss this policy with the hon. member and try to shed some light on it.

Motion agreed to, bill read the second time, considered in committee, and reported.

• (5:10 p.m.)

Mr. Deputy Speaker: When shall the said bill be read a third time?

Mr. Bell (Carleton): By leave, now.

Some hon. Members: Agreed.

Mr. Marchand moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DESIGNATION OF MINISTER, POWERS OF BOARD, ETC.

Hon. Robert Winters (Minister of Trade and Commerce) moved the second reading of Bill No. C-106, to amend the Canadian Wheat Board Act.

He said: Mr. Speaker, the grain growers of western Canada and their marketing agency, the Canadian Wheat Board, have made such a great contribution to the national economy and their methods of marketing are so highly and widely accepted in international grain trading circles as well as domestically that in this government's opinion the time has come to give more permanence to the legislation governing the operations of the wheat board. The board is now a permanent part of the

Canadian scene and the grain growers of the west wish it to be considered as such. I am therefore pleased to be able to bring to the attention of the house amendments to the Canadian Wheat Board Act. It is only a few months since the responsibility to parliament for the wheat board was assigned to me, but I am proud to be associated with this remarkable Canadian activity and would like to take this first opportunity to say a few words about it.

During the past few years the production and marketing of wheat have been at levels unprecedented in our history. During this period we have had the highest levels of production, exports, wheat prices and farm income ever recorded in the history of the Canadian Wheat Board.

The principal function of the Canadian Wheat Board is, of course, to sell the wheat, oats and barley delivered by western Canadian grain producers at the best possible prices. The Canadian Wheat Board has carried out its duties in a most efficient and successful manner. Equally, the government of the day has done everything in its power to assist the board in selling as large a volume of wheat as possible.

Let me review briefly the production and marketing performance of recent years. In the past four crop years wheat production has exceeded 2.8 billion bushels. This figure is 500 million bushels more than total wheat output in any other four-year period. Thus, we have had the equivalent of an extra crop to market in the past four years.

Demand in world markets has improved in recent years but, none the less, it has been a challenging task to market the tremendous quantities of wheat that were produced. I can remember vividly that when I was in the government prior to 1957, an export total in excess of 300 million bushels was considered a very good year indeed. In contrast, we have recently had two crop years with exports approaching 600 million bushels. The average for the past three years has been 525 million bushels compared with the average of 350 million bushels in the previous three years. In achieving these record wheat exports very heavy commitments were assumed but each challenge was met and Canada did not default on a single contract.

It should be emphasized that this large export movement was not at the expense of other grains. In 1965-66, overseas shipments of oats and barley were also higher than in the previous year. In addition, the full requirement of our domestic market for feed grains was met.

On behalf of the government I should like to pay tribute to the grain producers, the Canadian Wheat Board, the Board of Grain Commissioners, the railways, the elevator companies, the brokers, the shippers and all the other organizations and individuals who did so much to make this achievement possible.

In reviewing the recent record of wheat marketing, it is of value to examine the various components which contribute to the very impressive total.

Nearly half of Canada's wheat and flour exports are now shipped to Sino-Soviet countries, to most of whom it is necessary to extend credit in order to do business. The policy of selling wheat on government assisted credit terms was implemented 15 years ago when 5.5 million bushels of wheat were sold to Yugoslavia under section 21 of the Export Credits Insurance Act. Since that time Poland, Czechoslovakia, Bulgaria, Hungary, Mainland China and East Germany have purchased large quantities of Canadian wheat on credit terms. Taken together, these countries represent a market for over 20 per cent of our total exports. In recent years, credit sales have been confined to countries prepared to enter into long-term purchase and supply agreements and, with the exception of the U.S.S.R., all countries entering into such agreements have availed themselves of Canadian government credit facilities under either the Export Credits Insurance Act or the Canadian Wheat Board Act. The government has made these exports possible by assuming credit risks which today amount to more than $500 million compared with $200 million in 1962.

The Canada-U.S.S.R. trade agreement, which the present Prime Minister (Mr. Pearson) negotiated 11 years ago, was the first long-term agreement with a Sino-Soviet country involving the purchase and supply of Canadian wheat. The U.S.S.R. has been by far the largest purchaser of Canadian wheat under long-term arrangements. Mainland China is the second largest purchaser of Canadian wheat under long-term arrangements. Many of the long-term wheat agreement negotiatons have been conducted concurrently with or as part of trade agreement negotiations. Wheat has, therefore, made its contribution to the broadening of trade in other commodities.

In 1966 I visited the U.S.S.R. and a number of eastern European countries—Poland, Czechoslovakia, Yugoslovia, Bulgaria, Hungary—and returned encouraged by prospects for continuation of substantial sales to this area for many years to come.

In recent years the publicity attracted by the large quantities of grain we have sold to Sino-Soviet block countries has tended to overshadow the importance we attach to purchases made by our traditional markets such as Britain, Japan, West Germany, Italy, Belgium and Venezuela. Canada sells wheat and flour to almost 100 countries, and I can assure the house that during the recent period of strong demand the needs of our traditional customers, both large and small, were taken into account before other commitments were undertaken.

There is one development in wheat marketing in Canada, which has certainly not received the attention I think it merits. I refer to our food aid program. The allocation of funds for food aid in the form of wheat and flour has increased substantially in the last few years, rising from about $4.5 million in the 1962-63 fiscal year to an exceptional level of about $100 million in the last fiscal year, reflecting Canada's contribution to meeting emergency needs in India. In the years ahead Canada will continue to be a major supplier of food aid. Canadians can take great pride in the fact that, on a per capita basis, we are now as large a contributor of wheat and flour aid as any country in the world.

Hon. members are aware that western grain producers attach the greatest importance to international co-operation in grain marketing. The Canadian government supported by representatives of western farm organizations has taken the lead in seeking acceptable international agreements for wheat embodied in the successive international wheat agreements. We have again played a central role in the successful negotiations of the key elements of a new three year agreement providing a significantly higher price range for wheat, of which I was pleased to inform the house on May 15. This news was significant not only to those directly involved in the production of wheat but to all Canadians because of the importance of wheat exports to our whole economy.

• (5:20 p.m.)

As I stated previously, the newly agreed price range involves a 21-cent increase in both the minimum and the maximum price for No. 1 Northern over the current I.W.A.

[Mr. Winters.]

price range which expires on July 31. The new minimum for No. 1 Northern is $1.95½ in store the Lakehead and $2.03½ f.o.b. Vancouver. The price range is 40 cents U.S. or approximately 43 cents Canadian, making the new maximums $2.38½ in store the Lakehead and $2.46½ f.o.b. Vancouver. In addition to increased minimum and maximum prices the new agreement provides for a considerable strengthening of the minimum price systems, representing a significant improvement over the international wheat agreement.

In contrast to the I.W.A. which specified a minimum and a maximum price for only No. 1 Northern, the new price schedule identifies ten major grades of wheat with agreed minimum and maximum prices. These wheats include No. 1 and No. 3 Northern from Canada, four U.S. grades of wheat and one each from Australia, Argentina, the E.E.C. and Sweden. This new schedule provides greater assurance of equivalent obligations by all exporting countries in complying with the objective of price stability and the observance of minimum prices.

The difficulties involved in reaching agreement on the price relationships between these grades proved insoluble throughout the history of the international wheat agreements. They have been overcome, however, in this agreement by establishing substantially strengthened price consultative procedures. I should emphasize that each grade of wheat may compete freely within the price range. The scheduled minimum prices for the various types of wheat can only be modified by agreement.

In addition to the improved price schedules, the establishment of a multilateral food aid program represents an unprecedented advance in assuring continuing supplies of wheat, flour and other grains for needy countries and providing at the same time a more equitable sharing of this cost among developed countries, both those exporting and importing grains. The total annual program agreed to by the 17 countries involved in this stage of the negotiation was 4.5 million metric tons of wheat and/or coarse grains suitable for human consumption. Canada's contribution of one-half million tons represents 11 per cent of the total and is second only to the United States which is providing 42 per cent of the program.

The agreement reached in Geneva was negotiated by the major grain trading countries participating in the Kennedy round, this

is, 11 countries plus the E.E.C. The 11 countries are Switzerland, Denmark, Norway, Japan, Australia, Canada, the United States, the United Kingdom, Argentina, Sweden and Finland. Negotiations are now being directed toward bringing other countries interested in trade in wheat, both GATT and non-GATT members, into this agreement and to set up the machinery to bring the agreement into effect as soon as possible.

The major exporters and importers agreed in Geneva to work diligently for the early completion of negotiations which will broaden the agreement reached there to include all countries interested in trade in wheat. It is anticipated, of course, that it will take a little time to tie up all the ends of this agreement and it may not become operative until early next year. Hon. members will recall that the price provisions of the present international wheat agreement expire July 31. On the matter of price, it is understood in trade terms that this means the new price range which I have reported to the house will be observed in the months ahead until the new agreement becomes fully effective. Canadian selling prices are currently about 17 cents above the new agreed minimum prices. It has been agreed by Kennedy round signatories that nothing in the subsequent negotiations shall prejudice the price and food aid commitments entered into by them.

The successful outcome of these negotiations within the Kennedy round was due in no small measure to the continuing presence and advice of the advisory committee to the wheat board and the participation of Canadian Wheat Board officials as part of the Canadian delegation in Geneva.

Following the harvest of the largest wheat crop in Canadian history in 1966 wheat supplies in Canada totalled almost 1.3 billion bushels, a new record. It is obvious that we must continue to strive for the largest possible volume of exports. It seems clear that in the years ahead there will be an increasing demand for Canadian wheat. This is not to say that there will not be some years when a reduction in demand could create marketing problems. Wheat selling is a highly competitive business and I would not want to create the impression that there will be no problems in marketing Canadian wheat. Each year presents a different marketing situation. The Canadian Wheat Board has served the western producer well in the past and I know hon. members will share my view that the board will be equal to challenges as they develop in the coming years.

At this point, Mr. Speaker, I wish to return to the main purpose for seeking amendments to the Canadian Wheat Board Act. As the act now stands its administrative powers as set forth in sections 23, 24 and 34 will expire August 1, 1967. It has been customary to renew them for periods of five years. It is now decided to ask parliament to make the board's powers permanent. It has become the practice of the board to enter into agreements for the supply of grain over extended periods of time and, as I have already mentioned, nearly one-half of our exports of wheat and flour are now marketed under long-term arrangements of this type. These buyers naturally expect the wheat board's powers to cover the full period of these long-term agreements, and making them permanent meets this point as well as recognizing the *de facto* situation of the industry and its selling agency. This proposed amendment will, therefore, formally recognize what has been apparent to producers and buyers alike for many years and will, I believe, give effect to their wishes which in many instances have been expressed.

Accordingly I recommend the adoption of these simple amendments to the Canadian Wheat Board Act, the principal one being to extend the powers of the board, which would otherwise expire. The first amendment specifies that the governor in council shall designate the minister responsible to parliament for the operations of the board. In the present act the minister is specifically designated as the Minister of Agriculture. This amendment will provide more flexibility in that respect. Section 23 of the present Canadian Wheat Board Act provides that the provisions of part II of the act will be repealed on and after the 1st day of August, 1967. Section 34 of the act provides that the provisions of part IV will also be repealed on and after the 1st day of August, 1967. The repeal of these sections places the powers of the board on a permanent basis. There is also an amendment to section 24 as a consequence of the repealing of sections 23 and 34. The schedule of mills and feed warehouses mentioned in section 45 is also being revised to bring it up to date.

Mr. W. H. Jorgenson (Provencher): Mr. Speaker, since this is the first occasion upon which the minister has had the opportunity of dealing in the house with the Canadian Wheat Board, may I offer him our congratulations on the pleasant task he has assumed in working with the members of the board. I am sure he will find that they are not only

competent but are one of the finest groups of public servants to be found almost anywhere with whom one could work.

• (5:30 p.m.)

In dealing with the particular amendments let me say that I do not think there can be any objection to making the Canadian Wheat Board Act permanent legislation, but I should like to refer to the attitude that was taken by the late Mr. Howe when he was minister and this question was raised from time to time. Mr. Howe took the attitude that since the Canadian Wheat Board Act was in a sense an invasion of private initiative and fundamental freedoms it should of necessity be reviewed from time to time, and the five year period gives effect to that kind of review.

I raised this question recently, when the committee on agriculture and colonization was travelling through the prairie provinces earlier this year, with members of farm organizations who made the suggestion that the wheat board legislation should be made permanent. They took the attitude that since the report of the Canadian Wheat Board was reviewed each year by the standing committee on agriculture and colonization, this was sufficient in their opinion to guarantee that any needed changes in the legislation and any criticisms regarding wheat marketing could be brought before the standing committee.

However, I wonder sometimes whether the recommendations of the committee can be put into effect by the government as speedily as we would wish. I sincerely hope that this legislation is not just an effort on the part of the government simply to wash its hands of matters dealing with wheat in the prairie provinces. I hope it is not just another attempt on the part of the government to compile a list of paper achievements with which they can go to the farmers in the next election and say, we have done this, that, and the other. They have a number of these paper achievements that we know have not been of any particular assistance to the farmers and yet the government is trying to regard them as something they have done to help agriculture.

I am not critical of the amendments. So far as the western farmers are concerned, certainly the Canadian Wheat Board Act is accepted and the Canadian Wheat Board method of marketing has certainly proved itself as being the best way of marketing the western grain crop. But I do not think the minister wanted to leave the impression that simply because this legislation is to remain permanently on the statute books it is unassailable, cannot be changed and cannot be taken out by any future government. I hope the farmers will not gain an impression that there will now be permanent legislation on the statute books which nobody can touch, because that is not the case.

During the course of the review that we undertook this spring in travelling through the prairie provinces one of the questions that were raised quite frequently by farm organizations concerned the inclusion of flax and rye under the provisions of the Canadian Wheat Board Act. A particular problem exists here in that the board applies quota restrictions to the deliveries of flax in particular. It is not always possible for a farmer to deliver his crop of flax when the price is, in his opinion, most advantageous. So by a regulation of the board he is prevented from taking advantage of the best possible price he can obtain. Of course it could work the other way as well, but some attention will have to be given to this problem. In so far as the prairie provinces are concerned, they look upon a pooling arrangement such as exists in regard to wheat, oats and barley as the best method of taking care of this situation. In view of the recommendation which was submitted by the committee just recently I hope some attention can be given to this problem.

A number of changes have taken place in wheat marketing in the last few years, and we were glad to hear the minister the other day announce increases in the initial prices of the three grains that are being handled by the Canadian Wheat Board. They are in keeping with the rise in the floor prices under the international wheat agreement. I think most farmers expected a corresponding increase in the initial price. As the Leader of the Opposition (Mr. Diefenbaker) pointed out the other day, it is not necessarily the initial price which is of greatest concern to the farmer but an assurance that this is the lowest level to which the price will fall. However, in view of the prospects for marketing Canadian wheat in the foreseeable future I do not think we need worry significantly about floor prices. I think the prices are more likely to be bumping up against the ceiling than bouncing off the floor.

Sometimes it is difficult to change one's attitude, but it seems to me there has been such a tremendous change in the wheat picture in the past few years that in spite of the fact that it is a little difficult to relinquish habits to which we have become accustomed

we should perhaps start to worry more about our ability to produce wheat in sufficient quantity to feed the peoples of the world and to meet the market demands that are bound to arise very shortly. When we came to office in 1957 the problem was the surplus that existed in our country. As a result of the efforts of the then minister of agriculture and the government at that time that problem is no longer with us now. I think we have to orient our thinking toward not worrying about surpluses but rather worrying about our ability to supply the market. To do that some significant changes will have to be made in order to ensure that Canada will be able to do her part in feeding a hungry world.

Since the present Minister of Trade and Commerce (Mr. Winters) has taken over responsibility for the board, I think he has been quite frank with members on this side of the house, and we appreciate that very much. It is certainly a change from the attitude of his predecessor who was responsible for wheat marketing. He seemed to adopt the attitude of downgrading the former minister of agriculture rather than doing something constructive in order to assist the board in wheat marketing.

We hope that the quarterly meetings which were taking place under the former minister of agriculture, the hon. member for Qu'Appelle (Mr. Hamilton), will be continued so that the close liaison between the United States and other wheat exporting countries will be maintained in order to make sure that we are not working at cross-purposes. I am sure the minister is aware of the need for continued co-operation in order to ensure that the highest possible price is available to the farmer. At the present time farmers may be heartened by the fact that under the international wheat agreement the price of grain has been raised somewhat. But we must not lose sight of the fact that their costs have increased to a greater extent than the price of wheat.

I believe that the government must take some responsibility for the increased costs. Some of the legislation which they have introduced in the house and some of the actions they have taken outside the house have contributed in no small measure to the difficulties that the farmers face today. The demonstration which took place here yesterday must be strong evidence to the government that all is not well in agriculture and that the government had better start taking a very close look at some of the things that are going to be required in order to ensure that agriculture will be able to play its role in feeding hungry people.

• (5:40 p.m.)

I should like to refer to a recent article by Dr. Menzies of the firm of Hedlin, Menzies and Associates, Ltd. of Winnipeg. I am sure the minister is familiar with this firm of economic consultants. They are well known throughout Canada and have their head office in Winnipeg with branch offices in Toronto and Vancouver. Dr. Menzies delivered a paper on international problems and Canadian economic policy which was reprinted by the Saskatchewan Wheat Pool, and in view of the revealing information it contains I think some passages deserve repetition here and should be placed on the record. They give some indication of the need for the government and this house to meet some of the problems that he foresees in the production of food to feed the world. Dr. Menzies says:

> Over the last 30 years cereals have consistently accounted for nearly 40 per cent of world food production, while wheat has with equal consistency accounted for nearly the same percentage (35 per cent to 38 per cent) of world cereal production (or about 15 per cent of total world food production). The consistency with which wheat continues to account for about 35 per cent of the world's cereal production implies that the expansion of available export supplies of cereals will be severely limited, since rice and feed grains are largely consumed in the countries where they are produced. For example, world rice exports are only about one-eighth of world wheat exports. Until the correctives of increased food production and decreased rate of population increase become effective, wheat must become the chief instrument by which famine is averted.

I think that is very significant.

> At most, however, because of physical limits on production, the time wheat exports can buy is some 10 to 15 years. No matter how rapidly wheat exports may increase, they can never meet more than a fraction of the rapidly increasing food needs of the future.

Certainly this indicates that we must make every effort to ensure that full advantage is taken of the production potential of the prairie provinces. I venture to suggest that at the present time we are not even beginning to tap that potential. There are many ways in which we could encourage greater productivity on the prairies other than by the use of additional land. Dr. Menzies goes on to say:

> However, on the basis of extremely favourable assumptions regarding wheat production in exporting countries, they will in all likelihood fail to meet fully the world wheat export requirements by 1980. Indeed, the outlook for the years ahead is for wheat production to fall progressively further behind world needs.

He then goes on to suggest that Canada is going to have some difficulty in meeting her share of world wheat requirements.

During the past few months speeches have been made by the Prime Minister (Mr. Pearson) and the Minister of National Health and Welfare (Mr. MacEachen) suggesting that before long all of the food requirements of this country will be produced by a decreasing percentage of the Canadian population. I think the figure both ministers quoted was 5 per cent. I am not prepared to quarrel with that figure; it may well be correct, depending on the population of the country. But I do want to emphasize that this does not necessarily mean that we are going to have fewer farmers. Indeed, as I said earlier, I think that if we are to take full advantage of our production potential we must get away from the idea that the way to increase productivity is through the use of absentee or corporate farmers. This type of farmer, though he may be able to show the best return on his investment, is not the type of farmer who is going to produce the most food for the world. Attention must be paid to the farmer who knows the land best and who can best increase the productivity of a given area.

This concept involves many things. First of all, there is need for legislation to ensure that young people are given a start in farming, and at the present time there is not even a remote possibility of this. What happens is that when an older farmer retires the land is almost invariably bought by someone else who already has a large establishment in operation. Some attention must be given to the need to ensure that the moderate-size farm, the sort of family farm that the farm organizations have been talking about for the last number of years, is given some chance of survival.

Some changes in the quota system will also be required. The type of quota system now existing is of some advantage to larger farms but does not give small farms of 400 to 600 acres the advantage they should have. I would not recommend the use of the type of quota system which was adopted yesterday in admitting people to the House of Commons. What is required is a type of system which will slightly improve the opportunities of the small farmer. I am convinced that it is only the person who works very closely with the soil, who understands its capabilities and maximizes his opportunities for production, who can assist this country and the world in meeting the needs with which we will be faced in the next 20 years.

I should like to make one suggestion to the minister which is based on experience in the United States. When that country's administration attempted to limit production it found out that the United States farmer was ingenious enough to be able to overcome all the restrictions imposed upon him and increase his production. Perhaps this is one way to get maximum production, Mr. Speaker—by imposing limitations. I think this gives an indication of the ability of the farmer to increase his production despite limitations which are imposed upon him.

There must also be better utilization of land resources as well as of human and financial resources. I think of research into new varieties of coarse grains, for example. It seems to me there should be a shifting of the available acreage from the growing of coarse grains to wheat production, as well as an improvement in the variety of coarse grains. I understand that at the present time some of the research stations are developing a feed grain that can produce up to 200 bushels an acre. This sort of procedure will enable us to remove many acres which are suited to wheat growing from the production of coarse grain. We shall be able to produce many bushels of feed grain to meet the increasing future demand in this country for feed grains.

• (5:50 p.m.)

We must have improvements in transportation and harbour facilities and we must improve the methods of getting grain from the farm on to the ships. The committee on agriculture studied this question intensively this past spring and recommended improvements. I hope the government will pay attention to those recommendations which may improve some of the problems plaguing transportation.

If proper steps are taken to meet the anticipated wheat demand in the years to come the government will be rewarded by the farmers who play an important part in the economy of our country. More than once in the last few years the prairie farmers have saved the government from difficult balance of payments situations. That should be remembered. The increased grain marketing have had a beneficial result in eastern Canada, because as a result of increased marketings and improved prices the farmers were able to improve production methods and to buy fertilizers and machines for their operations. Canada has benefited greatly by the increased wheat

sales of the last few years. The minister mentioned the figures, and we can all be proud of what the western farmers have done for the country.

We should not adopt the position taken by the *Globe and Mail* that the best way to reduce surpluses is to lower prices. That is what the *Globe and Mail* recommends that the dairy farmers should do, and it is so much outdated nonsense. Wheat surpluses did not disappear with lower prices. Nobody benefits from lower prices, and we must make sure that the people of this country realize that surpluses of wheat are not a burden but a blessing. The cost of storing surplus wheat is only a fraction of the cost which the housewife would have to meet if there was a shortage in this country. It should be remembered that the money spent to assist in the marketing of wheat benefits not so much the producer as the consumer of this country, and the consumer ought to be aware of that. Money spent in ensuring a stable supply of food is actually money saved.

In conclusion, I hope that by making this legislation permanent the government will not be precluded from examining it periodically. I looked at the schedule and saw that it listed out of date facts. It showed the number of feed mills, flour mills and seed cleaning plants in western Canada at present and in 1935. For instance, in 1935 there were 95 flour mills and today there are 90. In 1935 there were 54 seed cleaning plants and today there are 141. The number of feed mills and warehouses has increased from 107 in 1935 to 156 today. I hope the minister will make sure that long intervals do not elapse again before facts such as these are revised and brought up to date. When a schedule has not been revised for 22 years the facts it presents can be downright misleading. In the short time that the government will remain in power I hope it will re-examine this legislation periodically and keep it up to date.

Mr. Churchill: They have another year.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is not often that the member for the constituency in which the head office of the Canadian Wheat Board is located—and it is in Winnipeg North Centre—has the chance to speak on this legislation. I welcome the opportunity on behalf of the New Democratic party of supporting the amendments proposed in the bill.

The Canadian Wheat Board Act is indeed one of the most successful pieces of legislation that the parliament of Canada has passed.

Mr. Churchill: It was Conservative.

Mr. Knowles: As the hon. member for Provencher (Mr. Jorgenson) said, it was passed as the culmination of the efforts of the prairie grain growers to find a satisfactory way of co-operative marketing. Though the Canadian Wheat Board operates under parliamentary legislation, the farmers of western Canada feel that the board is their own operation. Successive governments have tried to respect that fact. Sometimes we, who have seen both of the old parties in power, have thought that at times they have played partisan politics with it, but in the main the wheat board has stood as an effective and satisfactory way for the marketing of this country's grain products.

I see Your Honour on the edge of his seat. I shall not speak for more than another minute or so, so perhaps I might complete my remarks before you call it six o'clock.

Mr. Speaker: Is that agreed.

Some hon. Members: Agreed.

Mr. Knowles: Like the hon. member for Provencher, I think it is quite appropriate for this legislation to be put on a permanent basis. We understand the reason for the five year renewal that has obtained these many years, but when, in point of fact, this legislation is looked at every year we believe it is appropriate that it should be put on a permanent basis.

• (6:00 p.m.)

We also think it is quite in order to use the new language which is proposed for the designating of the minister responsible for the Canadian Wheat Board and therefore we are ready to give our agreement to the passage of this legislation.

I should like to support the plea which the hon. member for Provencher made that we in this country should be concerned not, as in the past, about the problems created by surpluses but increasingly about the problems of a hungry world. We in Canada must look forward to making still further improvements in our methods of production and marketing so that we can meet the needs of hungry people.

As a member representing the constituency in which the Canadian Wheat Board has its

head office, I have much pleasure on behalf of this party in indicating our approval of this bill.

Mr. Speaker: Does the hon. member for Kootenay West wish to ask a question of the hon. member for Winnipeg North Centre?

Mr. Herridge: No. It was my intention to speak for a few minutes, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTION TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the question to be raised at the time of adjournment tonight is as follows: The hon. member for York South (Mr. Lewis), Industry—Northern Ontario—Possible Classification as Designated Area.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DESIGNATION OF MINISTER, POWERS OF BOARD, ETC.

The house resumed consideration of the motion of Mr. Winters for the second reading of Bill No. C-106, to amend the Canadian Wheat Board Act.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I do not wish to take up too much of the time of the house on this bill, for it is not too long and aims mainly at making permanent the powers of the Canadian Wheat Board which are due to expire on August 13, 1967.

Mr. Speaker, I wish to tell the house that our group agrees with the bill and that we will do our best to hasten its passage.

By the way, I should like to congratulate the new minister responsible for the Canadian Wheat Board, the Minister of Trade and Commerce (Mr. Winters). With a man of his calibre in charge of such a powerful tool as the Canadian Wheat Board, the western farmers are certainly in good hands.

Mr. Speaker, since we, in Quebec and eastern Canada, are not wheat producers and since this board does not interest us directly but only as a government agency, for the whole of Canada, for part of the country, we must congratulate those who are responsible for creating it.

I read with great interest about the beginnings of the Canadian Wheat Board and, last winter, I had the privilege of visiting all the western provinces with the members of the committee on agriculture, forestry and rural development. At that time, I realized what could be done by such an agency to help the farmers secure what I consider practically fool-proof marketing.

But when we read about the origins of that body, we realize that those who fought to make it as powerful as it is today had to make many sacrifices and struggle for years.

This board is a lesson to us, in eastern Canada, for today it symbolizes the hopes of the western farmers. I believe that a similar board is needed in eastern Canada, particularly for milk products generally. I believe that such a board, under the Minister of Trade and Commerce, is the only way to settle once and for all the marketing problems of eastern products.

Mr. Speaker, it is not that I envy the western farmers; on the contrary, I am very happy for them and I congratulate them. But our only hope is to make sure that the government help our farmers and establish such a board for eastern agricultural products, a board which would also come under federal legislation so that eastern farmers could enjoy the same benefits and produce and keep in step with the western provinces as far as the marketing of their products is concerned.

So we will support this bill and I am very happy that this board is to become the permanent and best tool for the farmers and grain producers.

[*English*]

Mr. E. Nasserden (Rosthern): Mr. Speaker, on rising to take part in the debate this evening I should first like to congratulate the minister on the measure that he has brought before the house. I believe it represents a milestone not only in the history of the agricultural industry of western Canada but also a milestone in the life of the minister himself, something which he will notice as time passes. It certainly is a milestone in the achievements of those who have had faith in organized agriculture in western Canada.

On this occasion I think of the time many years ago when I first became a member of the Saskatchewan Farmers' Union, of which I am proud to say I am now a life member. I think of the work done by the delegate body of the Saskatchewan wheat pool, supporting legislation to establish the Canadian Wheat Board. I can remember repeated requests, year after year, at the annual meetings of both bodies, that this legislation be established on a permanent basis.

I repeat to the minister that his name will go down in the history of the agricultural industry of western Canada, and will be remembered because of the action that he has taken in making the legislation concerning the Canadian Wheat Board a permanent part of the statutes of Canada.

• (8:10 p.m.)

I was interested in the remarks he made this afternoon, and I congratulate him on the competency of his assistants. His speech was almost a masterpiece. I say this because there was just enough fiction interlaced in what he said to indicate a tiny effort to try to take a little more credit than might otherwise have been justified by a real appraisal of the facts, for the wheat sales to Communist China. I am not criticizing the minister because of that. I believe someone else may deal with this later on in the debate and it is not my intention to make an issue of it. At this time I believe it is well for this parliament to remember the days when Right Hon. R. B. Bennett was the prime minister of this country. At that time this legislation first found its place in the statute books of our country. I recall at that time that front benchers on the opposition side—one of whom I believe was Colonel Ralston—took strong exception to the Canadian Wheat Board legislation. I believe this minister of the crown is the only member from Toronto who has given his support to the Canadian Wheat Board legislation. Those of us from western Canada will not forget that either. The other day I said the minister was well on the way toward making a name for himself among those in western Canada with the announcement of the increase in the initial prices for wheat, oats and barley. At that time I would have liked to have seen him make this initial payment 25 cents instead of 21 cents per bushel.

Mr. Winters: Twenty cents a bushel.

Mr. Nasserden: Instead of 20 cents a bushel. Had he done this, I believe he really would have clinched a spot for himself. He really would not have been doing very much because under the international wheat agreement the floor prices and the ceiling prices have been raised by 21 cents. In recent years the prices have been far in excess of that increase and the minister today admitted that the minimum, I believe, has been 17 cents above the minimum price set. In any event, those of us from western Canada who believe in the orderly method of marketing grain will agree that the increase was a worth while one and one which will give encouragement to those who are engaged in the production of grain in western Canada.

There is one matter which I should like to mention. It was touched on slightly by the hon. member for Provencher (Mr. Jorgenson), who gave a very concise and informative address today on this matter. He gave to the house and the country a great deal of material which should not be forgotten. The matter I should like to touch on is the need for larger initial quotas to give some additional encouragement to those who are engaged in the production of grain on smaller farms.

I realize there are difficulties in working out an equitable solution to this problem. The quota system has been designed to equalize the delivery opportunity for farmers in every part of the grain growing area. I believe, however, there still is some room for a somewhat larger initial quota. After the initial quota, there is the per bushel per acre quota and the larger farmer soon catches up on the deliveries. This is something which I shall leave with the minister in the hope that he will give consideration to it.

I should like to see the minister really entrench himself as the champion of the farmers of western Canada by making the Canadian Wheat Board the sole marketing agency not only for wheat, oats and barley but also for flax and rye. There are some people in western Canada who believe that rapeseed should also be brought under the board. Not everyone, however, believes that rapeseed should be brought under the board. In so far as flax and rye are concerned, they are under the quota today. The producer can sell only when the board allows him to sell and he has no assurance what the price will be for his grain at that time.

Those who produce flax and rye are under some measure of interference with their marketing by virtue of the quota which has been set up. I certainly am not suggesting that the quota should be abolished, but I

suggest a good step to take would be to bring these grains under the Canadian Wheat Board. I notice that over the years the farm organizations in western Canada have asked that this be done. In recent years, there has been some mention that perhaps they are not as desirous to have that happen as their resolutions indicate. From the discussions which have taken place during the past year in western Canada, and particularly in Sakatchewan, I am satisfied these organizations mean business and would really appreciate it if these two grains could be brought under the Canadian Wheat Board.

There are many other things which could be said on this subject, but I do not intend to pursue them. I have on many occasions pointed to the carelessness of the government during the past four years, but this is one occasion when I can point with a little bit of pride and congratulate the minister and the government on the action they are taking.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, first of all I should like to compliment the minister for his very common sense statement. The minister is one person who, in my judgment and I think in the opinion of a good many members in this House of Commons, speaks in factual terms.

Now, Mr. Speaker, I must explain that, while I am a farmer, I would not pretend to know all that is to be known about grain marketing. My experience is simply as a result of an occasional visit to the prairies and from having resided with grain farmers on occasion. It also is as a result of my having listened to the evidence presented in the committee on agriculture, forestry and rural development.

Before proceeding to discuss the terms of the measure, I cannot resist making a reference to the farmers' march yesterday when there were 20,000 farmers on parliament hill, the largest demonstration by any group of producers in Canadian history, according to the information I have received from the pressmen with whom I have spoken. I should like to mention that they left their farms when there was very important work, such as plowing, discing, seeding, and things of that sort, to be done. They paid their own way. Nobody paid their expenses in coming here. They saved their nickels and dimes in order to spend a day in Ottawa to bring their complaints to the attention of the government. I trust they will receive a very sympathetic response from the government in the days ahead.

[Mr. Nasserden.]

Before proceeding further I must say that I was astounded and amazed to hear the hon. member for Lotbinière (Mr. Choquette) today ask the Minister of Justice (Mr. Trudeau) to thank the R.C.M.P. for the efficient way in which they pushed the Quebec farmers around. I was flabbergasted, you know.

Mr. Winters: Mr. Speaker, I think I should rise in defence of the hon. member for Lotbinière. What he meant was that the R.C.M.P. deserve commendation for the outstanding manner in which they conducted themselves with such great restraint under provocation.

Mr. Herridge: Mr. Speaker, I think the minister has rather glossed over the facts. I am sure the members to my left and the members in the opposition heard the statement as I mentioned it.

• (8:20 p.m.)

I went out particularly to ask these boys where they came from, and they said they were Quebec farmers. I am not criticizing the R.C.M.P. for doing their duty as instructed, because that is what they must do. However, I must say I was surprised to hear the remarks of the hon. member for Lotbinière, and I was not the only one who was so surprised. All of us on this side were flabbergasted.

Mr. Winters: I think there must have been a misunderstanding.

Mr. Herridge: We will read the record tomorrow and see exactly what the hon. member did say.

Mr. Boulanger: Mr. Speaker, does the hon. member realize that the farmers who were outside the house were Canadian farmers? There were farmers from Quebec and from Ontario, and they were all Canadian farmers.

Mr. Howard: Does Mr. Sauvé know that?

The Acting Speaker (Mr. Richard): Order, please. Let me remind hon. members that the bill before us relates to the Canadian Wheat Board Act. I am not without mixed feelings about the type of discussion that is now taking place, but in order to expedite the business of the house I am sure that these remarks about the demonstration and representations of yesterday on behalf of the farmers of Canada should be left to another occasion rather than during this consideration of amendments to the act.

Mr. Nasserden: In respect of the question raised by the hon. member on the government side of the house, I can only wonder whether the government has realized that these were Canadian farmers.

The Acting Speaker (Mr. Richard): May I remind hon. members once again that we are not discussing that situation, and that remarks should be relevant to the bill now before the house. I request hon. members to confine their remarks to this subject.

Mr. Herridge: I apologize, Mr. Speaker, but I was so flabbergasted I could not help but make that remark. I agree with my hon. friend on the other side, that the many splendid producers who came from Quebec are indeed Canadian farmers. I trust we have heard the last about this issue during our consideration of this bill.

Let me congratulate the hon. member for Provencher (Mr. Jorgenson) for what I thought was a very excellent and constructive speech. He is a producer and contributes some of the wealth enjoyed by Canadians. I listened with great interest to his remarks because he speaks from experience as a large scale grain grower. I am naturally in support of the principle of this bill and, as other members have said, I believe this is a step in the right direction toward something which has been discussed for a good number of years. I congratulate the minister for introducing this bill.

At this time I want to refer to one or two matters mentioned by the committee which considered the reports of the Canadian Wheat Board on which apparently this bill was based. Some of these recommendations were referred to by the hon. member for Provencher and other speakers who sit in the Progressive Conservative benches. At page 8 of the report of the standing committee on agriculture, forestry and rural development I find under the heading "Jurisdiction of the Canadian Wheat Board" the following statement:

> Evidence suggested that the jurisdiction of the Canadian Wheat Board should be extended so as to allow the board to handle the marketing of rye, flax and rapeseed. This proposition would appear to have a general support throughout the west. The Canadian Wheat Board, when it appeared before the committee pointed out that if the board were to assume marketing responsibility for rye, flax and rapeseed an amendment to the Canadian Wheat Board Act would be required. The board also stated that if such an amendment were passed that it was confident that it could handle the added responsibility.

I understand that on previous occasions there has been some doubt in this regard. The report then states:

> Your committee understood, however, that a very different type of marketing operation would be necessary to handle the marketing of flax and rapeseed. If the marketing powers of the board were extended to cover flax and rapeseed it would, in effect, involve the establishment of a completely new operation within the board.
>
> After due consideration of the representations made, the committee feels that an extension of the wheat board jurisdiction into this area could be beneficial for the producer.

The report then states in the final paragraph under this heading:

> Your committee therefore recommends that legislation be introduced, after the usual procedures have been complied with, that would extend the jurisdiction of the Canadian Wheat Board so that it would be the sole Canadian marketing agency for rye, flax and rapeseed.

As I said before, while I am a farmer I cannot speak with any authority in respect of grain marketing. I did have the opportunity of listening to the wheat board representative and others who appeared before the committee, and I felt that this was very sound advice. I note I have some support from that hon. member who has recently been elevated to the position of chief whip of the Progressive Conservative party. I trust that further consideration will be given to this matter.

The hon. member for Provencher referred to the necessity of increasing the production of grains in Canada. The committee discussed this matter and the report makes some reference to it. I should like to refer to a portion of the report in the event that some hon. members have not read it and are not aware of what the committee had in mind in this regard.

At page 6 of the report under the heading "Canadian Wheat Board" I find the following:

> Your committee must offer its congratulations to the chief commissioner and staff of the Canadian Wheat Board for the excellent job they are doing selling Canadian grains. The esteem in which witnesses appearing before the committee held the board could not but impress your committee.
>
> In examining a crown corporation it would not be proper for a committee of this house to delve into matters of internal administration. Your committee feels, though, that the successes which the Canadian Wheat Board has been achieving can be traced directly to the administrative qualities found in the commissioners and staff.
>
> Your committee as a result of its inquiries is of the opinion that the market for Canadian grain is continually growing. The problem in the future will possibly lie in whether Canada can produce enough grain to meet the market's needs. Experts

are of the opinion that the world wheat requirements will reach four billion bushels by 1980 and this will require quite a large increase in production. To meet its customers' requirements Canada will have to have an annual wheat production by 1980 of one billion bushels. The fear expressed is not that Canada will exceed this figure but rather that it might fail to do so.

Your committee thus concludes that leadership in the grain trade is of growing importance for if the figures and arguments put forward by the experts are reliable then an all out effort must be made. It is your committee's view that some of this leadership must come from the Canadian Wheat Board.

The committee also discussed the responsibility we have to under-developed nations and those who need our grain. I trust the minister is paying close attention to the necessity of increasing the production of grains in Canada if the Canadian people are to meet their responsibilities abroad. While the amendments before us represent a step in the right direction, I wonder whether the minister when he replies will explain the procedures which have to be followed in order to amend the act again at a later date to bring the other cereals mentioned in the report under the jurisdiction of the board so the Canadian Wheat Board will have the sole reponsibility for marketing.

In concluding my few brief remarks, and as I said before I am a farmer but not competent to speak with authority on this question, I should like to add my support to the support of those who have already spoken on the bill, and suggest that certain amendments will be required in the future if we are to meet adequately the needs of the Canadian producer and our responsibility to our overseas customers.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, as a member from a great agricultural district I want to add my congratulations to the minister for bringing forward this long awaited legislation. It might be appropriate at this time to ask the minister to use his influence with the Minister of Finance (Mr. Sharp) to find out whether a change can be made in the Income Tax Act which will allow an option to farmers who borrow money on farm stored grain to declare this as income in the year they borrowed the money or in the year they pay it back as a result of disposing of the grain. I have received representations from quite a few farmers in my district who think that this is not unfair and is the only equitable way of handling the matter.

[Mr. Herridge.]

• (8:30 p.m.)

During the last election campaign the Liberal challenger for my seat went about the country promising that his government would pay farmers for storing grain on their farms, which would perhaps make it unnecessary for them to borrow money on grain which they already owned.

Some hon. Members: Hear, hear.

Mr. Bigg: However, delivery of the grain would have to be undertaken in a very short time. I do not think this is a very practical suggestion. I believe it would receive considerable opposition from the grain trade, and I think the administration of such a program would be difficult. At the same time, I would like to discourage this type of promise being made across the country and think I owe it to the small farmers in my district, who might have been misled by this type of promise, to ask the minister to clarify this issue for us. I do not know whether he has any intention of doing so, but I would be interested to know whether this matter has in fact been seriously considered.

I am sure the farmers are a little discouraged at the 21-cent increase in the price of wheat. They had been promised something in the nature of a two-price system, but hoped that increased sales of wheat on the international market would make this unnecessary. However, with a 21-cent increase in the price of wheat I am sure they are looking for some action in this regard.

In recent years there has been argument about whether the wheat board has been fully responsible for Canada's increased sales of wheat. I take some exception to the suggestion that they have. I give credit to the board for what they have done so far, but I do not think the sale of wheat abroad has reached the level which we might expect. In this regard it might be helpful if our export credit program was very much increased in respect of the underdeveloped countries. I understand this principle was instrumental in bringing about the first and very large sale to Red China. If the wheat board received full cooperation from the Minister of Finance on this matter, I am sure that the sale of wheat on the international market could be greatly expanded. Canada is very fortunate because I suppose we are still the largest owner of undeveloped land. We have on the farm, certainly on farms of western Canada, the potential for greatly increased production.

I think the government could provide financial assistance to the farmers in another way. For instance, it might be better, in respect of the potash which we are exporting, if preferred loans were made in order that the potash might be used on our own bleached-out soil. This type of financial assistance to the farmers would pay off in our national economy.

I was very pleased to hear the hon. member for Provencher (Mr. Jorgenson) make another plea for the family farm. Unless I am mistaken, it is the policy of this government that the family farm must go and that nothing but the large corporation outfits will operate in future. Nothing could be further from the truth. I think Canada will always need a large population based on the farm. The only way we can keep the family farm going, in view of the fact that there is a movement away from agriculture today, is by doing everything possible to encourage the small farmer to stay on the farm. I would go even further than that and say we should have many more small farms in this country.

I do not think financing is the bottle-neck. I think the price the farmer gets for his grain is one aspect of the problem. The expanded markets of the world are there if we go after them, and if we increased our sales in these markets it would solve much of the problem. I have every confidence that the Minister of Trade and Commerce (Mr. Winters) will pursue this matter. I do not want him to be shy in this regard. He is apparently doing a good job in his department. We would like to see cabinet solidarity at least in this field. If the minister can get together with the Minister of Finance and any other minister who can help expand Canada's markets and exports generally, we will be the first to congratulate him. As you can see tonight, Mr. Speaker, there is unanimity in this party. We are encouraging the forward-looking type of approach which we are apparently getting from this department. That is why I am perhaps stretching the patience of the Chair a little in suggesting that, surrounding the policy in respect of the wheat board, there are these other facets of marketing and price control which will assist the small farmer to stay on the farm. In this way we will be able to provide a shot in the arm for the whole Canadian economy.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Richard in the chair.

The Acting Chairman (Mr. Richard): Order. House in committee of the whole on Bill No. C-106, to amend the Canadian Wheat Board Act.

On clause 1—*Minister.*

Mr. Jorgenson: Mr. Chairman, I wonder whether the minister wants to reply at this stage to some of the questions raised on second reading of the bill.

Mr. Winters: I would be glad to do that, Mr. Chairman. At the outset I wish to thank all hon. members for their participation in this debate and the very complimentary remarks that I take to be directed to the wheat board. I will see that they are passed on to the proper source. I share this high regard for the wheat board, and in the short time in which I have been associated with them that high regard has been enhanced. They have done a marvellous job of marketing and selling wheat in over 100 countries in the world and have left no stone unturned in seeking out opportunities to sell more wheat. Where the matter of credit is involved, as my hon. friend from Athabasca said, they are not at all shy in asking the government to extend the amount required.

I cannot think of a single instance where we have lost a sale because of lack of credit facilities. The first large sale to China was, as was quite properly said, negotiated by the wheat board under the previous government on the basis of large credit facilities made available under the Canadian Wheat Board Act.

• (8:40 p.m.)

That pattern has been followed by a subsequent sale to China. In the other socialist countries in Europe the facilities for credit are being used, except in the case of Russia which continues to pay cash. Of course, we are very pleased about it.

The other important question has to do with the recommendation of the committee on agriculture relating to whether or not the important commodities of rye, flax and rape seed should be included under the provisions of this statute. This is a matter to which I have given considerable attention in the short time that I have been responsible for the wheat board. I have not concluded my consideration. The wheat board would find it quite a different sort of operation from the selling of wheat, oats and barley with respect to which Canada's position in the markets of the world is quite dominant, important, and over

the price structure of which we can exercise an influence and have some control. Rye, rape seed and flax are quite different. The role that Canada could play in these commodities is relatively insignificant in the markets of the world. We would not have the same opportunities to influence price or to help bring about orderly marketing. We would be more apt to be carried along by the price structure in the world rather than have the opportunity of playing a role in establishing it, which is a function that the wheat board now discharges very well. I have had a great many representations on both sides of this question by people who feel that here is one area in which they could use their own private initiative to good advantage, and many have done so, as hon. members of this house know so well.

I am naturally impressed by the recommendations of the committee on agriculture and I would like to give them full consideration. I think an important fact is that all of us have been deeply involved recently in the Kennedy round of tariff negotiations. The commissioners of the wheat board have attended regularly at Geneva and devoted all their energies and time to the sale and agreements for the future sale of wheat and, in a different area, to the sale of oats and barley. Moreover, the concentration has been and will be on wheat for some time to come until all the details of the current agreement are worked out and it becomes operative. So, it will be some time before I and those who are responsible for advising me can come to a definitive conclusion on this important matter. But I can tell all hon. members that this is very much on our minds and we will not lose sight of it.

Mr. Peters: Mr. Chairman, I was quite pleased to hear at least one remark made by the minister, although I do not disagree with the other ones. I was pleased to hear that he has been reading the report of the committee on agriculture, and therefore I might conclude that it has raised in his mind the same problem that arises in mine, namely that the amendment which is before us in two parts is a very small, insignificant and uncontentious one. However, there were a number of things which the committee was able to learn about the operations of the wheat board and which were unknown to most of the members of the committee. I believe that if we are only going to amend the Canadian Wheat Board Act once a year, some of the amendments to the act which have been recommended by the committee members should be included. The explanation of the first clause concerning the designation of a minister by the governor in council was made the subject of some recommendations in the committee. While I am sure there is a great deal of merit in making the person responsible for the wheat board the one who has the best knowledge of the wheat board, this appointment is subject to change, and rather unusual arrangements have had to be made at times in designating the minister responsible for the wheat board.

The minister made what appeared to me, and I think to the committee, a rather controversial point regarding what the Canadian Wheat Board can do about the problems of sale expansion and the obvious intention of the farmers to go into the production of oil seed crops as well. The fact is that we are annually doubling the previous year's production with no end in sight. However, the difficulty arises with the sales. As regards rapeseed, reports in the newspapers last year caused considerable consternation among the farmers. They indicated that the sale price of one particular shipment had gone up very rapidly and yet the same increase was not reflected in any other sales. When the committee investigated the matter, they found that this very large increase in the sale price of that particular shipment was an unusual circumstance which was not likely to be repeated. My assessment of the briefs that were presented with regard to this matter led me to believe that most of the farmers were of the opinion that the wheat board, in the marketing of grain in general not only of wheat, has some say in the selling price of that commodity because it has such a large amount for export purposes. The minister is perfectly right when he says that Canada is the leader in wheat sales in the world's markets.

An amendment made to the Canadian Wheat Board Act a few years ago placed oats and barley under the wheat board, although in a different category than wheat. It seems to me that this operation is rather confused when one realizes that the grain exchange does deal in futures for oats and barley which are not handled in exactly the same way as wheat. I think most of the farmers in western Canada agree that the operations of the wheat board with regard to the sale of oats and barley have been advantageous to the farmers and have placed Canada in a position in the world markets where we were able to provide facilities which have brought a certain amount of stability to the coarse grain field. I am sure most of the farmers agree

that probably the operation that will be undertaken by the wheat board with regard to rapeseed and other oil seeds will not be the same as that undertaken with regard to coarse grains or wheat but that the national marketing agency with its connections all across the world will be in a much better position to sell advantageously, as far as the farmer is concerned, the oil seed crops which have been produced in increasing amounts by the farmers in western Canada.

If the minister is of the opinion that the recommendations against bringing rapeseed under the act outweighed those in favour of it, I would say that I think these representations were mostly made by Mr. McNamara. He is very much opposed to bringing rapeseed under the board for the simple reason that this would involve a change in the policy of the board and of the sales agents across the world. There is no question that they would have to operate in a totally different manner since that commodity would only be a small part of the total sales. It is also true, as the minister said, that decisions of the wheat board may be subjected to undue influence by the major producers in the oil seed field.

I think it is fair to say that most of the members of the committee were not opposed to the operation which is now being undertaken by the grain exchange in the futures of oil seed. I noticed that in the last few days the price of silver on the stock market in Canada and the U.S. was only allowed to go up five cents a day. In London, on the other hand, the price of silver jumped up 14 or 15 cents in one day. I understand that there is a daily limit to any price increase of rapeseed which is part of our grain exchange strucutre. Therefore, I think the problem we used to face in the trading of futures on exchanges to some extent has been curtailed. If we are able to operate satisfactorily in terms of wheat, barley and oats, then I think we should be able to do the same with other seed products.

• (8:50 p.m.)

Stability in rapeseed production is very necessary to agriculture, and it will have a great effect in a number of ways. It used to be argued by those who represent, for instance, soybean interests and other oil seed producers in eastern Canada, that the government should not permit rapid expansion of the oil seed industry in the west. I think obviously because they would be affected by it. However, it is true that as the oil seed industry expands we will be in a much better position nationally to provide the oils that are required to produce soap, margarine—particularly margarine—and other commodities.

It appears, Mr. Chairman, that if we are to protect both of these industries, then it would be of advantage if the national marketing agency in western Canada also had some control over the sale of the end products, as well as the preparation of sales estimates in the markets of the world to which the representatives of the wheat board pay close attention. It would then be possible to advise the farmers, as is the case with other commodities, how much they may expect to receive when they harvest their crop.

For this reason I think that, in bringing forward this bill to amend the Canadian Wheat Board Act, the minister would be remiss if he did not refer it to the committee in order to consider the advisability of including these commodities. I do not think it is sufficient merely to listen to representations. The arguments used by the wheat board in this regard were, I think, very weak. I think the arguments put forward by the grain exchange and the grain trade, which were not unlike the arguments advanced by the wheat board, carried much more weight, because although they admitted it might be possible to include these other oil seed products, they pointed out that certain problems would result. They recognized that other conditions would have to be met and other concessions would have to be made.

I think this states the position much more realistically. Things have now got to the stage in western Canada where the production of oil seed per acre is so much more profitable than the production of wheat that oil seed products are steadily and rapidly increasing in volume. For that reason, before we reach the stage of saturation, I think we should develop the controls that are necessary.

I realize that this bill was introduced for the specific purpose of beating the deadline and establishing the wheat board as a permanent body, a step with which I think everyone is in agreement. We are all concerned as to whether we should review the act every five years. Since I have been here, the activities of the wheat board have been reviewed many times and under different circumstances; its operations have been reviewed annually in the committee as well as in other forums. But the question always arises whether the activities of the wheat board should be annually reviewed in the committee, or should be reviewed every five years under some form of major overhaul when the

deadline arrives. I think it is necessary to decide whether or not we want to dispense with this terminal date and make the board a permanent body. I do not think there is any argument about that.

The one point I should like to make in this regard is that this is marketing type of legislation which is subject to fluctuation in production and ability to sell agricultural products. Therefore, I think there should be some sort of major overhaul and review of this act along the lines of the decennial revision of the Bank Act. Nevertheless, I think all hon. members will support the principle of making the wheat board a permanent body, rather than having to meet this deadline every five years as is the case at present.

I have glanced at the bill but I did not notice a date proposed therein. Therefore, I presume that the board is being made permanent without our making the review that I think is necessary. The minister may be quite right in contending that the annual review made by the committee under its statutory referral is sufficient, but nevertheless I think the minister should give serious consideration to some of the problems which have arisen in relation to the wheat board.

In this regard, I think the members of the committee are to be highly commended for the work they did. I have been a member of the agricultural committee for eight or nine years, and I do not think it is unfair to say that each time the committee has reviewed the report of the wheat board most members had not the faintest notion what it was all about.

For example, Mr. Chairman, there always seemed to be a political difference of opinion over who in fact sold our wheat, whether the credit should go to the government or to the wheat board. I was very surprised to find that technically neither the government nor the wheat board should be given the credit. Our agents really make sales of wheat on behalf of Canada, and this was fairly evident in the last sale that we made to Russia.

A number of matters were highlighted during our discussions to which I think the minister will have to pay some attention because the problems are immediate. We are now greatly increasing wheat production in western Canada. It is possible that western Canada may produce a billion bushels a year, and if this is the case obviously we would be unable to handle it. Hon. members will recall being asked to take drastic legislative action to deal with a short-lived strike in two segments of the industry because the industry was operating at top capacity. If the volume is increasing yearly by another 400 million bushels, then we simply would not have the facilities to handle it.

• (9:00 p.m.)

It seems to me, Mr. Chairman, that the recommendations made particularly by the grain commissioners warrant consideration by the minister. I believe that the decision as to who should take the extra responsibility which is envisaged is a political one. The minister may decide that the wheat board can expand its activities into another field and empower the wheat board to make recommendations. It may be that the grain commissioners will be given a broader and more important role to play in projecting production and surveying the need for facilities to cope with increasing production. Or again, the minister may decide that another agency entirely should be established. On an occasion such as this, when the Wheat Board Act comes up for discussion I think the minister should assure the country that he will give consideration to these other questions, because they certainly affect the industry and have caused a great deal of concern in western Canada. It was not right for us to work so close to capacity that hysteria would break out as soon as anything untoward developed. We ought to be able to ship our wheat via our railways to the harbours, and enable every farmer to sell his crop. That, of course, has happened. I have in mind all the grain that we shipped in the last season, and I ask the government to pay attention to the committee's recommendations. We worked close to capacity, and the committee made some sensible suggestions. I think the minister would be well advised to refer this matter to the committee for further study. Should any legislation evolve from the committee's study, it would meet with the approval of the government and the country.

Mr. Jorgenson: This afternoon, during my remarks, I referred to the schedule and to the need to bring it up to date. It should never be so outdated as it has been for the past year. The minister did not refer to the schedule when he replied. Would he inform the house how frequently he recommends that the schedule be overhauled? Is it to be once a year, or how often?

Mr. Winters: Mr. Chairman, I have not yet acquired enough experience with the rate of

change of items in the schedule to answer satisfactorily, but I was quite aghast—and that is the correct word—to see the extent to which the schedule is out of date. It is high time for it to be brought up to date, and of course the wheat board agreed with that. No one will need to press me or the wheat board to change the schedule so long as I am responsible for the operation. I should like to see to what extent the list is changing, and I readily give hon. members an undertaking that we shall not let it get out of date to this extent again.

Mr. Nasserden: I forgot to ask a question when I was speaking. Probably it is out of order now, but I hope the minister will deal with it. Have the details of the new international wheat agreement been published yet, or when may we expect them to be published?

Mr. Winters: The elements of the arrangement have been reached between the major exporting and importing countries. The next step is to bring in all the other countries which were involved in the GATT negotiations, and the step after that is to bring in countries which are not members of GATT but which are nevertheless members of I.W.A. In addition we shall endeavour to bring in other countries which are not members now of the I.W.A. but which might be interested in coming into an over-all world wheat agreement.

It will take some time to progress through these stages which are being worked on now and it may not be until some time early in the new year before over-all agreement embracing all nations that are interested in exporting or importing wheat is turned into a definitive one.

Mr. Barnett: The minister referred to the I.W.A. On a former occasion in the house I said that in my part of the world the letters I.W.A. stand for the woodworkers union—the International Woodworkers of America.

I do not intend to speak long on this clause, but I think it is appropriate to draw to the attention of the minister and to the members of the Canadian Wheat Board the film we saw this evening which showed a revolutionary method of icebreaking. All of us who saw it I am sure were struck by the possibility of a revolutionary transformation in methods of moving bulk goods from various parts of this country. We ought to be aware of this development. We often talk in the house about living in an age of rapid technological change, and I hope that the minister and the wheat board, in considering the future marketing of Canadian wheat, will attend to any developments that might arise from the example we saw this evening.

Clause agreed to.

Clauses 2 to 5 inclusive agreed to.

Schedule 1 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read a third time?

Mr. Rapp: At the next sitting of the house.

INTERPRETATION ACT

REVISION AND CONSOLIDATION, AND CONSEQUENTIAL AMENDMENT OF OTHER LEGISLATION

Hon. P.-E. Trudeau (Minister of Justice) moved the second reading of Bill No. S-6, to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act.

He said:

[*Translation*]

Mr. Speaker, as an introduction to the debate on second reading of Bill No. S-6 to revise and consolidate the Interpretation Act, I think it will be enough for me to make a few very brief remarks.

Everyone knows, and the members of this house know it to a high degree, the role played by an Interpretation Act in a system of statutory rights. An interpretation act is, so to speak, a basic tool, the cornerstone of a system of statutory rights which facilitates not only the understanding thereof but its drafting. In a society like ours, Mr. Speaker, where we are more and more enclosed in a framework of laws and regulations, where we live in a very complex world regulated by a network of laws also complex, the legislator must strive to simplify as much as possible the system of laws and make their interpretation easier.

That is why an Interpretation Act was enacted as the first chapter of the statutes of the first Canadian parliament, a century ago, as a sort of preamble to all subsequent legislation and statutes to be passed in the future. Of course, Mr. Speaker, in the past century, a great number of amendments have been made to the Interpretation Act and now and then, those amendments have been incorporated in

consolidations of revised statutes which have been published, but this is the first time in a hundred years that legislator has fully reviewed that Interpretation Act and introduced a number of new definitions. He has also added to that act modern rules not only with regard to drafting but also to analysis and understanding which had been accepted by our parliaments and our courts at various periods.

• (9:10 p.m.)

Therefore, I wish to point out that this Interpretation Act somewhat recasts the form and subject matter of the former Interpretation Act. This bill has now been under study for around ten years by the officials of the Department of Justice. It was introduced to parliament in 1962 and reintroduced on several occasions during various sessions of various parliaments but, every single time, as a result of an adjournment or prorogation of the houses, it came to naught.

Mr. Speaker, the house is familiar with the bill under study, since it is very much the same as was approved last March by the permanent committee on justice and legal affairs. It differs very little from that bill. In a while, I shall indicate what changes were made. The bill now before the house was passed by the Senate, after going through the three stages, and we have now reached the motion for second reading in the House of Commons.

[*English*]

This bill having been through all three stages in the Senate, I hope we shall be able to deal with it fairly quickly. It is the same bill as was referred back by the standing committee on justice and legal affairs last March; it is the same bill, with four or five slight modifications. Perhaps I shall have a chance to deal with these differences later when we examine the matter clause by clause.

I can only plead with the house to consider this as a matter of some urgency. The commission which parliament set up two years ago to revise the statutes cannot bring its work to fruition until parliament has adopted this Interpretation Act, since the act does contain definitions and interpretations which are essential to the interpretation of statute law.

Mr. G. W. Baldwin (Peace River): I commend the minister on the introduction tonight of his first piece of major legislation. After all, the Interpretation Act is, as he has indicated, the foundation upon which rest many of the other bills with which parliament has to deal. The hon. gentleman comes to the house with a reputation as being a small "l" liberal. I believe he will have many opportunities to deal along those lines with other legislation introduced by the government from time to time. We need this kind of approach, within reason.

I gather there have been some inconsequential changes, as a result of which the bill before us differs in some respects from the bill which was considered by the Senate and by the standing committee. I was not a member of the standing committee but I have had an opportunity to look up the record and read some of the observations made during the debates in the other place and before the standing committee. Basically, this is a matter of housekeeping, of tidying up, of making certain changes in the right context.

In addition, the bill probably takes note of certain decisions of the courts in connection with interpretation which the government and its advisers have felt should be reflected in its provisions for the sake of greater clarity; where there is one road which might be taken, the government wishes a particular road to be pointed out.

There is one clause in this bill, however, to which I must object. I will deal with it now, and invite the minister to indicate his view when he closes the debate. I know that my hon. friend from Parry Sound-Muskoka (Mr. Aiken), who was a member of the committee, feels as I do about this particular clause. He had hoped to be here this evening; indeed, he was here until the supper recess. I shall not go into details now; there will be an opportunity to do that when we get into committee. But I must refer to clause 2, the clause which purports to define regulations and enactments, in order to make my point plain. It would probably be best to read what is set out under 2(c) and 2(e).

> (c) "enactment" means an Act or a regulation or any portion of an Act or regulation ...
>
> (e) "regulation" includes an order, regulation, order in council, order prescribing regulations, rule, rule of court, form, tariff of costs or fees, letters patent, commission, warrant, proclamation, by-law, resolution or other instrument issued, made or established
>
> (i) in the execution of a power conferred by or under the authority of an Act, or
>
> (ii) by or under the authority of the Governor in Council.

During the discussion in the committee my hon. friend from Parry Sound-Muskoka

raised this point and one of the learned counsel from the department—I think it was the associate deputy minister—gave an explanation and an assurance to the committee.

● (9:20 p.m.)

The subject of the objection and of the doubt raised in the committee was the effect of this amendment (e) (ii) to give the authority to the Governor in Council to enact regulations without the authority of statute. This is the point that concerns a great many members of the House because we have seen a great many illustrations of it in the last year or so. The associate deputy minister replied that in his view, and he gave an assurance to that effect, this did not have the result of enacting substantive law and of giving to the government rights which it did not possess previously. This is the way I read the exchanges which took place between the witness and hon. members.

But, Mr. Speaker, that might be good enough for the committee. They did not pursue it to any great extent. However, quite honestly it is not good enough for me. I want to know what rights does the government now contend exist in the Governor in Council to enact regulations and orders in council not under the authority of statutes. It may well be that there have been cases where the extent to which the Governor in Council could exercise the opportunity to enact regulations, without this right being founded on a statute, has been in doubt. The effect of this amendment might well be to settle such doubt, to settle at least any anxieties which the government may have with regard to this right, a right to which I take the strongest possible exception unless it comes under the age old prerogative and of section 12 of the B.N.A. Act to which I will refer later. If it is the case that through this amendment the government is not seeking to secure the right to enact regulations and orders in council without doing so under the authority of a statute, then why was it necessary to include this amendment (e) (ii)? This is the point that puzzles me. It is my view, and I think the view of a lot of other members and of a lot of people in this country, that governments are powerful enough in this day and age without the authority to encroach on the rights of individuals without parliament having given governments the right to do so by specific terms, by definite intent, and by definite words in a statute. I cannot conceive of any other circumstances under which the Governor in Council is so entitled to enact regulations and orders in council, and if that be the case then the question the minister must answer is why was it necessary to add this particular amendment.

I recognize that there are a number of cases where parliament gives to the Governor in Council, to other boards, or to a minister, the right to issue regulations or to enact orders in council. In such cases the Governor in Council, tribunal or minister has the right to do so, and may directly enact regulations and orders in council which come within the Interpretation Act, it being a statute.

But that cannot be done unless there is a statute authorizing it, and if this is the case then I have to repeat myself: why was this amendment included?

Section 12 of the British North America Act is a very interesting section. I shall not read it in full because the minister is probably well aware of it. It states that all powers, authorities and functions which under any act of the parliament of Great Britain or of the parliament of the United Kingdom were vested in or exercisable by the governors or lieutenant governors of the provinces at the time of confederation, or which were capable of being exercised in a similar way by the Queen's Privy Council for Canada, would be continued in being and could be exercised by the Governor in Council of the newly formed country. But these were still rights which were exercised under a statute. The British North America Act is a statute, and my argument is that if the Governor in Council purports to act in any way not under the authority of a statute which this parliament has passed since confederation, then he can only do so under the authority of section 12 of the B.N.A. Act.

Quite simply my argument is that there is no justification or explanation for the addition of this particular amendment. We had an example of this matter not so long ago. A colleague of the minister, the Minister of Manpower and Immigration (Mr. Marchand), came before us at the tag end of last session, and for reasons which I do not attribute as being his fault, asked us in effect to approve in a retroactive way payments of money which the minister and the government had made under an order in council not pursuant to statute. This was with respect to the adult occupational training act. I am not sure that is its exact title, but hon. members will recall it.

On April 1, under an arrangement which had been made, the minister set machinery in motion by which he started paying out

certain moneys of the taxpayers of this country to people and to provinces. He did so, purporting to act under the authoritiy of an order in council passed pursuant to an appropriation bill or pursuant to supplementary estimates—I am not sure which. But, Mr. Speaker, the order in council which was passed was not passed pursuant to a specific statute of this parliament.

Despite that fact, it was not until May 8, when this house met to complete the final measures required for prorogation, that royal assent was given to the bill, thus for the first time giving authority to the minister and to the government to pay out these moneys. That was a flagrant illustration of the government passing an order in council without authority to do so, save by the very tenuous right of being enacted under an appropriations bill, with the result that the government had to come back to parliament five or six weeks later and ask for approval of the legislation.

This is the kind of thing which we have to worry about and be concerned about. It is for this reason I raise this matter and ask the minister to deal with it before we complete our consideration of this bill.

If the minister advises me that it is not the government's intention by this amendment to carve out for itself, or for any succeeding governments, the right to enact regulations and orders in council unless with the authority of a statute, then I would ask him to make that plain by an appropriate amendment. If, in fact, what the associate deputy minister said is the intention of the government, then I would suggest a simple amendment which the minister could consider between now and the time when we get into committee.

I would suggest he consider adding the following words after (e)(ii): "provided that this bill does not purport to convey or to grant to the Governor in Council the right to enact regulations save when authorized by statute." At this stage I am not trying to indicate the form of any amendment which might be moved, but if the government's view corresponds with what I think the law should be, and with what I think the associate deputy minister attempted to convey to the committee, the minister could make this quite plain by an amendment of this kind which would set at rest the doubts and anxieties which hon. members have with regard to the provision in (e)(ii).

[Mr. Baldwin.]

• (9:30 p.m.)

Now, Mr. Speaker, this may seem to be highly technical and tenuous, but believe me it is not. All over the world we see examples where the lights of freedom are flickering out and where constitutional governments are being replaced by military or other forms of dictatorship. We think, because we have the right of freedom to assemble here as representatives of the people, that this type of thing cannot happen. It seems to me that all too often we tend to turn our parliament into a stage across which people posture and strut dealing with what might be entertainment issues without getting down to the nuts and bolts—the real issues—of democracy. All too often we let these things pass without prying into them. Then, at a later date, we wake up to find that the rights of the individual citizen have been filched away. Before this bill passes I think the government should provide an answer to this particular aspect of it.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, for the second time today my remarks will be brief. First I should like to indicate my support of the plea made by the hon. member for Peace River (Mr. Baldwin) that we be given a clear understanding concerning what the government has in mind and what can be read into the new definition of a regulation to which reference has been made. I realize that the explanatory notes which tell us what this clause 2 is all about are very disarming. There is a two sentence paragraph which I should like to read. It appears opposite clause 2 of the bill:

> The definitions of "Act", "enactment" and "regulation" are new.

Well, we know that.

> Their purpose is to apply the whole of the Act to all orders in council and to the various instruments made under the authority of statutes.

That is vague, but it is disarming to suggest that the purpose here is simply to make sure that anything that is done by way of regulation must conform to the principles and rules laid down in the new Interpretation Act. In the process of doing this we are being asked to give, as the hon. member for Peace River has pointed out, what seems to be an extension of the power to doing things by order in council. Perhaps there is an explanation which the learned professor of constitutional law can give us later on, but I hope it will be good.

Previously, it was clear that orders in council could be passed only in pursuance of a

power conferred by or under the authority of an act. That is our understanding; that is the practice; that is the tradition; that is the way things must be. But we now seem to have added the right for a regulation or order in council to be made simply by or under the authority of the Governor in Council. I do not wish to dwell on this for long, but I must confess to the same anxiety and apprehension expressed by the hon. member for Peace River that this seems to be giving the Governor in Council a blank cheque in the matter of orders in council.

There is no doubt there have been times when governments have passed orders in council that have had doubtful validity. I can be quite impartial about this and refer to two recent examples, one under a Conservative government and one under a Liberal government. In the case of the Conservative government, I have in mind the import control order which was passed just after the election of June, 1962. The government of that day contended it had the right to do it on the basis of two statutes. Here in parliament we doubted that right. In due course certain people went to court over the matter. As a result of that the new government that came in after the next election decided that maybe there was some doubt and that that doubt should be taken care of by the passing of a new statute. At the moment I am not stating an opinion concerning who was right or who was wrong. I stated at the time what was—and still is—my view, but the point I am making is that it can happen that a government, even under the rules and regulations we now have, can enact an order in council of doubtful validity. What can parliament do, unless someone goes to court about it? Under the authority the executive has under our constitution, unless it is beaten on the floor of parliament, things which are quite illegal nevertheless have a way of standing.

I am thoroughly convinced that the order in council which the Minister of Manpower and Immigration (Mr. Marchand) obtained from his colleagues with regard to the occupational retraining measure was invalid. It was in effect for a reasonably short period, from April 1 until May 8, or some time shortly thereafter. I suppose now that it has been confirmed by legislation there is no possibility of its ever being tested. Some of us will remain of the opinion that for a period of five or six weeks the government operated under an order in council which did not have constitutional validity. But, what can parliament or the country do about it? The money has been spent under the provisions of this order in council. If a year or two from now the Auditor General finds that this should not have been done, all that will happen is that he will say in his report that this money was spent without proper authority. No one will go to jail for having broken the law. No law will be unscrambled; it was done by executive action and there it stands.

I cite these examples for the purpose of underlining the case made so effectively by the hon. member for Peace River; namely, that because errors can be made and because liberties can be taken with the right to pass orders in council, we should circumscribe those rights as carefully as we can to make sure that we are not placing in a statute of parliament words which give the government a blank cheque.

Mr. Speaker, if the Minister of Justice (Mr. Trudeau) when he replies can satisfy us on the point I will be the first to admit he has made his case, if he makes it. However, I join with the hon. member for Peace River and other members of the house in saying that a very good case must be made, because I do not like to see parliament pass an act which says that the Governor in Council can pass an order in council simply by or under the authority of the Governor in Council.

• (9:40 p.m.)

This is like lifting oneself up by one's bootstraps. It is like saying I have the authority because I have the authority. This should be looked into very carefully.

There is one other point I should like to make, but similar to many of one's points, it has subpoints. The explanatory note in this bill says that its purpose is to establish uniform definitions and modes of expression in order to eliminate repetition in our statutes and to facilitate the drafting and the construction of them. Let me cite a couple of examples which strike me as indicating that this desire for uniformity of definition has not been achieved.

There is a clause in the bill now before us to which I should like to make a passing reference before Your Honour feels he should remind us about references to clauses on second reading. This clause, which indicates how a person's age is to be determined, reads in such a manner that on the day of one's eighteenth birthday he becomes 18 years of age at the beginning of that day. If you look at the Criminal Code you will find a definition there which differs. It states that

you are not 18 years of age when the day of your eighteenth birthday arrives, but only when that day is fully completed.

Do not ask me what turns on this difference, but I find it passing strange that we should have a definition in the Criminal Code saying when you reach a certain age and a definition in the Interpretation Act which varies from that, even by just one day, especially when we are told that the purpose of this legislation is to establish uniform definitions.

I also noticed another clause in the bill now before us, specifically subclause (17) of clause 28, which defines "holiday". It lists a certain number of days as holidays. I would assume that if these days listed in the Interpretation Act as our holidays they should be the days which are holidays in this country. If you look at the Canada Labor (Standards) Code you will find a slight variation, and if your turn up the rules of the House of Commons you will find a day mentioned there that is not mentioned in either of these statutes. There are also questions arising about holidays that fall on Saturday and Sunday, and so on. I put these under the general heading of the contention that the purpose of this legislation is to provide uniformity. I have cited two examples where there is a lack of uniformity, and I should be glad to hear some explanation of this situation.

As I indicated, there seems to be no need for extensive discussion of this measure before us, but when we have one in respect of which we are told its purpose is simply to tidy things up, it always seems necessary to take a close look at it. Like the hon. gentleman who preceded me, I am particularly anxious to hear from the Minister of Justice (Mr. Trudeau) about what seems to us to be a clause in the bill which would extend the powers of the government in respect of making orders in council. This is something about which we cannot but be concerned.

Hon. R. A. Bell (Carleton): Mr. Speaker, I should like very briefly to associate myself with the learned and scholarly argument made by the hon. member for Peace River (Mr. Baldwin). I am one who shares the anxiety that a number of persons have had in connection with the definition of "enactment" and "regulation".

I must confess to some disenchantment with the new Minister of Justice (Mr. Trudeau) who, in making his presentation, did not deal with the very scholarly argument

presented in the Canadian *Bar Review* by a distinguished member of the bar of the city of Ottawa, Mr. Gordon F. Maclaren, Q.C. Mr. Maclaren, in the December, 1966 issue of this publication presented this case in vivid and readily understandable language. I suppose the fact is that the Minister of Justice is not a member of the Canadian Bar Association and never has been, and therefore has not been a subscriber of the Canadian *Bar Review*.

Mr. Trudeau: Are you a member of the Montreal Bar Association?

Mr. Bell (Carleton): I am a member of the Canadian Bar Association, but there has not been a Minister of Justice in the present government who has been a member of that association, and that is an indication of the contempt in which the portfolio of justice has been held by the present Prime Minister (Mr. Pearson). However, sir, that is a deflection from what I had intended to say, induced by the interjection of the Minister of Justice.

The argument simply is this that in the definition clause, there has been a restoration of a prerogative right which all lawyers had thought disappeared long ago. No one has yet explained why it was thought necessary to adopt this definition. I am one of those who does not understand why in the other place, in view of the learned dissertations they had on this subject before sending this bill down to us the second time, they did not give some attention to it. If that is the chamber of sober second thought, and I must confess I find it difficult at times to understand that description, they certainly ought to have done something about an examination of this position at least in one of their committees.

The contents of this particular bill go far beyond what was the initial intention of establishing uniform definitions and modes of expression, and the elimination of repetition in the statutes. The minister has a very heavy onus upon him tonight to establish that there is not being brought in by the back door some method or technique of restoring a prerogative right long since disappeared. I intend to sit down in time to give him plenty of opportunity to try to explain or answer these questions. Indeed, I was surprised he did not answer them during his initial presentation, because he must have known that they would inevitably be raised during this debate.

Let me also say that the time has come for the minister to make some clear statement to the house as to when this bill and the Revised Statutes of Canada, 1967, which are

supposedly dependant upon it, are going to be in fact presented. If the revised statutes for 1967 are dependant upon this bill, as has been stated, this bill ought to have been presented and discussed long ago, and I am sure this house would have been very glad to see that there was enough time to do so without delay.

The revised Statutes of Canada, 1967, should be published in 1967 rather than in 1968 or 1969, as the grape vine now appears to indicate. I hope the minister will be in a position to give us an assurance in this regard. Let me say to him that for my part, unless he gives an absolute assurance, I intend to vote against those clauses which deal with the new definitions of "enactment" and "regulation" which appear to restore a prerogative right, which I think this parliament would never permit.

• (9:50 p.m.)

Mr. Speaker: The minister's statement will close the debate.

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, there are two points with which I should like to deal. I shall first deal with the second point of the hon. member for Winnipeg North Centre (Mr. Knowles) because it is the minor one. I think I can give an explanation in less than two minutes and then I will deal at greater length with the other point which was originally raised by the hon. member for Peace River (Mr. Baldwin).

The hon. member for Winnipeg North Centre was concerned about the lack of uniformity of definitions. Of course he is quite right in pointing out that various statutes do have different definitions. The object of an interpretation act is precisely to tend toward uniformity of definition, but of course the interpretation act by itself is not essentially substantive law and cannot pretend to amend other acts such as the Criminal Code or the Canada Labour (Standards) Code, which were the two examples mentioned by the hon. member for Winnipeg North Centre. We are discussing here an interpretation act which tends to give general definitions which will be applicable to the greatest possible number of statutes. In due course when we revise the other statutes, when they are before the house, I expect parliament will take into consideration the kind of remark that was made by the hon. member and achieve the laudable aim of reaching uniformity of definition. But of course we cannot do it by way of an interpretation act. All we are doing by way of the Interpretation Act is trying to get as large a definition as possible applicable to the greatest number of acts.

There will always be, for particular statutes, particular definitions. It is not the intention of this bill, nor could it be the will of parliament, I think, to dispense in the future with all interpretive sections which appear at the beginning of each statute and which mean to give particular definitions to particular statutes.

This is a general one. Indeed, I hope that when we look at the various other statutes we will tend toward a general definition but we cannot, I repeat, do it by this Interpretation Act.

On the major point that was raised by the hon. member for Peace River and then taken up by the hon. member for Winnipeg North Centre and the hon. member for Carleton (Mr. Bell), I appreciate and respect their point of view. In the few minutes that are left I will try to deal with it. I would make two points for the consideration of these hon. members. The first is that an interpretation act does not essentially, fundamentally, tend toward creating new powers and new rights for anybody.

Mr. Bell (Carleton): But it may.

Mr. Trudeau: It would, if parliament spelled out quite precisely in an interpretation act or any other act that it was conferring new powers. But obviously if we read clause 2 (e) it is not conferring new powers to anyone; it is just giving a definition to the word "regulation". Clause 2 (e) says what the word "regulation" will mean in all other statutes and indeed in orders in council whether under the authority of an act or not. It is just saying what the word "regulation" will mean; it is giving no one the power to make regulations. That is the first point.

If this clause is read carefully I submit that it can in no sense be thought to be giving power to anyone. It is only giving a definition. The subtle argument which was brought forth by the hon. member for Peace River is that if this is so, if we are not giving any new powers, are we implying by clause 2 (e) (ii) that there is such a thing as a regulation made by governor in council not under the authority of an act? The answer of course is yes. The hon. member himself gave the reason for that. It is that the governor in council has inherited a certain number of prerogatives which are, I think, disappearing over

the years as statutes come to indicate precisely what the prerogatives are. The prerogatives themselves may be replaced by a statute. But the hon. member very correctly referred to section 12 of the British North America Act and read it to mean that the governor in council could indeed exercise a certain number of prerogatives or authorities to make regulations, but regulations in the meaning of rule of court, by-law, commission, warrant or proclamation.

Mr. Baldwin: Mr. Speaker, I do not like to interrupt the minister but I wonder whether he would permit a question. If that is so, would it not be the case that although it might be invoking prerogatives which existed in England and in the provinces prior to 1867, nevertheless the governor in council was now purporting to act under section 12 of the British North America Act, which is a statute?

Mr. Trudeau: I was coming to that point.

Mr. Baldwin: I just did not want you to forget it.

Mr. Trudeau: That is a very crucial point and I was precisely leading up to it. I am sure that the hon. member, by the way in which he has just stated his case, would not want to destroy all prerogative rights of the governor in council. There may be some which subsist. All the hon. member wants to point out is that if any do subsist, they come under an act, the British North America Act. I think I can convince him that his fear is not well founded if he reads the Interpretation Act. Section 2(1)(a) of the Interpretation Act provides that "act", means an act of the parliament of Canada. Therefore in clause 2 (e) (ii), when we talk about the execution of a power under the authority of an act, we can only mean under the authority of an act as defined by this act. "Act" means an act of the parliament of Canada. Therefore, if we did not have the second subparagraph and left only the first, we would be destroying any authority given to the word "regulation" in its broad sense under section 12 of the British North America Act, which is not an act of the parliament of Canada.

I must remind hon. members that the Interpretation Act itself has an interpretation section, which is the section we are now discussing. This interpretation section specifies the act we are now discussing, which is an act of the parliament of Canada and not an act of the United Kingdom parliament, as is the British North America Act. Therefore on these grounds I would suggest to the hon. member that unless he wants to destroy all prerogatives which might belong to the governor in council he should not press the type of amendment he was suggesting.

Having said that, Mr. Speaker, I would say that I share completely the concern of these hon. members for restraining as much as possible the authority of any government to act through order in council not under the authority of a statute. I think that in the last analysis parliament must confer the overwhelming majority of any authority which can be exercised by the governor in council and therefore it must be conferred by statute. But I am suggesting to these hon. members that we should not, by way of an interpretation statute, presume to destroy the whole idea of prerogatives which might belong to the governor in council. Perhaps we would want to envisage that and these hon. members would want to submit a statute to that effect.

• (10:00 p.m.)

But I am suggesting that the Interpretation Act is not the place to do this because, once again, it does not tend to confer new powers or to destroy old ones. It merely tends to give the legislators, the judges and the citizens who are reading the acts, the rules and définitions which permit the statutes and the regulations to be as simple as possible, not cluttered up with endless interpretation sections at the beginning of the statutes.

Mr. Knowles: Would the minister permit a question? Has the executive been under any handicap with respect to the prerogatives set out in section 12 of the B.N.A. Act because it has not had the provision now being put into the Interpretation Act?

Mr. Trudeau: No, sir, I do not think I can answer with a yes or no. I was saying in my initial remarks that this Interpretation Act is completely new. It is attempting to achieve more than the previous one did. It is attempting not only to present it in a new way but to incorporate new definitions. In the precise case of regulations, it is trying to use the word "regulation" so as to include a great many things in order to prevent repetition in any subsequent statute that we will be passing. It is trying to obviate the need to repeat in each case that regulation means an order in council, a proclamation, a by-law, and so on. We are doing it here once and for all. We could do it under each specific statute,

and I imagine that hon. members would not raise this kind of objection in such a case because it would appear as section 2 in every statute. Now that we are incorporating it into the Interpretation Act perhaps our attention is drawn to the fact, but I suggest that no section could be read as conferring upon anyone any power that he did not have before.

Mr. Speaker: Is it the wish of the house that I call it ten o'clock?

Mr. Trudeau: May I suggest, Mr. Speaker, that this debate be continued in committee of the whole at some later stage? I have no objection to continuing discussion of that particular section, but at least we would advance one step further.

Mr. Baldwin: Having in mind the very interesting argument which the minister advanced, I was going to ask him a question which would indicate my reason for believing we should not finish tonight.

Could we obtain and have available at the time we go into the committee stage some indication from the minister's departmental officials as to what regulations and orders in council the department and the government envisaged as being likely to be passed under section 12 of the B.N.A. Act which caused the government to request that this section be amended, so that we might have some idea why it is felt necessary to secure this additional power? For this reason, I do not see how we can complete the discussion of this matter tonight.

Mr. Speaker: Will the Acting House Leader announce the government business?

BUSINESS OF THE HOUSE

Mr. Pennell: Mr. Speaker, it is proposed to call as the first item the estimates of the Department of Transport, to be followed by Item No. 8 on today's order paper, the second reading of Bill S-4, an act to amend the Canadian Citizenship Act. If, by some unforeseen good fortune, these measures are passed, we would call the estimates of the Solicitor General.

Mr. Bell (Carleton): Would the acting house leader be good enough to indicate what he thinks might be the business on Monday and perhaps even on Tuesday?

Mr. Pennell: So far as I can foresee at this moment, if the estimates of the Department of Transport are not completed, we would continue with them on Monday, to be followed by the estimates of the Secretary of State, and then by the estimates of the Postmaster General. I am sure the house realizes that sometimes unforeseen circumstances could force an alteration, but, as I have announced, these are my expectations for Monday's business.

It being ten minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, May 26, 1967

The house met at 11 a.m.

EXTERNAL AFFAIRS

VIET NAM—POSSIBLE ACTION OF U.S. PRESIDENT TO END HOSTILITIES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister tell the house what reaction there was on the part of the President of the United States to a suggestion which appeared about a week ago in an informed source, the *Globe and Mail*, that the plan of the government of Canada in connection with Hanoi was for the president to announce the end of the bombing, and then go to Geneva and wait, like Constantine, for a sign from Hanoi. What was the reaction of the president to this rather unusual posturing?

Right Hon. L. B. Pearson (Prime Minister): My right hon. friend is entitled to his designation of a proposal on a serious matter of this kind, which may or may not have been made, as political posturing. I think that is the expression he used, and I consider it very regrettable, especially in view of the serious situation we face.

Some hon. Members: Hear, hear.

Mr. Pearson: Apparently he based his use of those words on an article that appeared in the *Globe and Mail* a week ago. That fact makes the words not only regrettable but surprising.

The president's reaction to this particular proposal is easy to declare, Mr. Speaker, because a proposal in those terms was not made by us.

Mr. Diefenbaker: Mr. Speaker, I ask the Prime Minister whether he has read today's *Globe and Mail*, which sets forth what took place yesterday, according to the informed source, from which the information came to the *Globe and Mail*. Is it a fact that the proposal was considered yesterday with the President, that he should announce his intention to go to Geneva on a certain date, ready for peace talks, and that regardless of the response from Hanoi he would show up at the appointed time and wait for the representative of North Viet Nam? Is that report correct, having been given by—

Mr. Speaker: Order, please. The right hon. gentleman can ask a question directly, but cannot ask whether a report is correct.

Mr. Diefenbaker: Mr. Speaker, I would ask you to direct how a question can be asked regarding—

Some hon. Members: Order.

An hon. Member: Don't lecture the Speaker.

Mr. Diefenbaker: Mr. Speaker, when I see the Minister of Transport engaged in that sort of elevated jumping jack posture I know that the question is one that the government does not like to hear. Let me ask the Prime Minister whether it is a fact that he placed the proposition I have referred to before the President of the United States?

Mr. Pearson: No, Mr. Speaker. I did not ask the President of the United States to go either to Geneva or to Canossa.

UNITED NATIONS

MIDDLE EAST—STATEMENT FOLLOWING DISCUSSIONS WITH U.S. PRESIDENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the right hon. Prime Minister whether he can give the house any information arising out of his discussions with the President of the United States in respect of whether any agreement has been reached between United States and Canada as to the position they will take vis-à-vis the situation in the Middle East, and particularly with reference to the right of access of the state of Israel and all other nations to the gulf of Aqaba?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am very glad indeed to deal with that question as best I can, within the limitations of the fact that our conversations yesterday were of course confidential, as they were bound to be in the circumstances.

I do not think, however, I am betraying any confidence when I say there was complete agreement between the president and myself as to the special importance of two

things in connection with the Middle East crisis. The first was the importance of maintaining the right of access to and innocent passage through the gulf of Aqaba, and that everything possible should be done through the United Nations to see if this can be arranged so that this danger spot can be removed.

The other danger spot, if I may call it that, about which we talked and where we agreed on certain ideas as a means of helping to remove the danger, is in the confrontation of the two forces on the Israeli-U.A.R. border, and the grave and great importance of placing on that border a United Nations presence. This would not be the United Nations Emergency Force, which has been disbanded, but in some appropriate way there must be a United Nations presence there which will operate on both sides of the border.

Mr. Douglas: I have a supplementary question, Mr. Speaker. Was there any discussion of the proposal of General de Gaulle, the President of the French republic, with reference to the possibility of a meeting of the four great powers to see whether within the framework of the United Nations these powers might agree on some course of action which would prevent the outbreak of hostilities in the Middle East?

Mr. Pearson: Mr. Speaker, this matter was discussed at some length. It was felt that as the question is now before the Security Council nothing should be done to weaken its position in this connection, and that a meeting of the permanent members of that body—the four powers that have been mentioned —within the context of the Security Council might be a very useful procedure at this time.

My own view, as I expressed it, was that if this could not be done by a meeting of the permanent members of the Security Council, then the proposal that they should meet outside the UN should not be rejected; but it would be better if they could meet as permanent members of the Security Council. I understand that General de Gaulle's proposal was that they should meet simply as four great powers. If that procedure were adopted and would bring the U.S.S.R. into the discussions, it might be useful. But I understand there are some difficulties in bringing about that meeting.

[Mr. Pearson.]

[*Translation*]

TRANSPORT

SLEEPING ACCOMMODATION IN RAILWAY BOARDING CARS

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, my question is addressed to the Minister of Transport.

In view of the fact that several provincial health departments have long ago condemned bunk beds in lumber camps, is the minister in a position to say whether, during the centennial year, his department intends to make a humane gesture by eliminating, in the best interests of some railroad workers, the bunk beds in accommodation cars, in view of the fact that, during the summer, inside those cars without air conditioning, the heat sometimes reaches 110 degrees.

Mr. Speaker: Order, please. I am sure the hon. member could profitably put this question on the order paper.

[*English*]

FINANCE

INTERNATIONAL LIQUIDITY—MONT GABRIEL MEETING OF GOVERNORS OF CENTRAL BANKS

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Minister of Finance. Could he inform the house whether the question of international liquidity is being discussed at the meeting now being held at Mont Gabriel by the governors of the central banks of the Americas, and whether any agreement has been reached on a unified approach to this important topic?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am sure the house will be interested to know that the Governor of the Bank of Canada is host during these next few days to the governors of the central banks of the Americas, including the chairman of the governors of the United States federal reserve system. I understand that the agenda is not being published, but I am quite confident that this question of international liquidity, which is so important to future world trade, will be high on the agenda.

UNITED NATIONS

POSSIBLE WITHDRAWAL OF CANADIAN MEMBERS OF GAZA STRIP FORCE

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a question for the Minister of

National Defence. Is the minister now in a position to give the house any further information with regard to the withdrawal of the Canadian troops now in the Gaza strip?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I do not think there is anything I could usefully add at this moment to what I have already said on this subject. We are, of course, monitoring continuously all developments in the Middle East in order that we are fully apprised of the situation, in case there are any new developments.

COMBINES

CANADIAN AMATEUR HOCKEY ASSOCIATION—REQUEST FOR INFORMATION ON APPEALS AGAINST DECISIONS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Registrar General and ask whether his attention has been drawn to the decision of the Canadian Amateur Hockey Association that any affiliated club which appeals to the courts any decisions of the C.A.H.A. will be automatically suspended. If the minister knows about this, is he considering whether this policy contravenes the provisions of the anti-combines legislation?

Mr. Speaker: Order. Perhaps the first question might be placed on the order paper. In the second or supplementary question the hon. member is asking for an expression of legal opinion, which cannot be done.

Mr. Orlikow: Could I rephrase the question, Mr. Speaker? May I ask the Registrar General—

Mr. Speaker: Perhaps the hon. member would rephrase it on the order paper.

[*Translation*]

HOUSING

MONTREAL URBAN RENEWAL PROGRAM

On the orders of the day:

Mr. Gérard Loiselle (St. Ann): Mr. Speaker, I wish to direct a question to the Minister of Labour who is responsible for the Central Mortgage and Housing Corporation.

Can the minister inform the hon. members of this house if the Central Mortgage and Housing Corporation has finally agreed to pay its share, that is 50 per cent of the cost, of the renovation of the area known as "La Petite Bourgogne" in the beautiful riding of Sainte-Anne in Montreal?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): It is not a case of finally accepting it. Our action was prompt. Action was taken recently by the executive committee of the Central Mortgage and Housing Corporation and the federal government has acted on the recommendations very promptly. An expenditure of some $36 million of federal funds is involved and a similar amount will be put up by the provincial government of Quebec and the city of Montreal. I think this program is coming at a very appropriate time, with the recent layoffs in employment on completion of the huge construction program at Expo. It is an urban renewal program of some $72 million in greater Montreal, a great step forward.

DOMINION DAY

INQUIRY AS TO OBSERVANCE OF JULY 1 HOLIDAY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Prime Minister. A week ago yesterday I asked the Prime Minister whether the government would look at the situation created by the fact that this year July 1 falls on a Saturday. I asked in particular whether Monday, July 3, might be declared a legal holiday so that all Canadians would get at least one day off for the celebration of our one hundredth birthday. Has the government reached a decision on this matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have been looking into the matter. It seems quite clear that in so far as the public service of Canada is concerned the subject is covered by the public service terms and conditions of employment regulations, which became effective in March of this year. In accordance with these regulations a great majority of public servants will get a holiday on July 3. So far as parliament is concerned, it will be of course the responsibility of the house to decide whether or not to sit on that day. There has been some discussion on that score among the house leaders. So far as declaring an additional public holiday in the country is concerned, that can only be done now by legislation I believe.

Inquiries of the Ministry

MR. JUSTICE LANDREVILLE

INQUIRY AS TO ACTION PROPOSED BY GOVERNMENT

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 who has had 16 days of thought and contemplation about the matter, whether a decision has been made by the cabinet as to what course is going to be followed regarding Mr. Justice Landreville.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the government will have some proposals to make to parliament on this matter. It was hoped that it could have been dealt with at the cabinet meeting last Thursday, but it was not possible to get to that item, for reasons which I think will be quite clear to everyone. However, there will certainly be a statement on the matter not later than next Wednesday.

Mr. Diefenbaker: After the by-election.

PENITENTIARIES

CONDEMNATION OF DESIGN OF MAXIMUM SECURITY INSTITUTIONS

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question for the Solicitor General. Has he received a copy of a resolution put forward by the John Howard Society of Canada condemning the design of the maximum security institutions, and in particular protesting against that of the Millhaven institution? If so, what consideration has been given to this?

Mr. Speaker: The question should be placed on the order paper.

CANADIAN CENTENNIAL

VISITS BY PRESIDENT JOHNSON AND PRIME MINISTER WILSON

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the Prime Minister. Is it the intention of the Canadian government to invite President Johnson again this year for a formal visit?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the president indicated he hoped to return later in the year for a longer and more formal centennial visit. I am not quite sure when that will be, but we are keeping some day open at the end of August.

[Mr. Pearson.]

While I am on my feet I should like to state, if I may, in connection with the visit here of the British prime minister, that he has indicated this morning he will not be able to arrive in Ottawa on Monday as planned because the British parliament has been summoned and he will have to be there on Monday and Tuesday. However, he hopes to arrive here on Thursday for a shorter visit, and he also hopes to arrive here for a longer one later this year.

[*Translation*]

TRADE

SHOES—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the hon. Minister of Trade and Commerce, but in his absence I shall put it to his parliamentary secretary.

Does his department intend to retain the services of those bureaucrats who thought up the quotas applied in the Canadian dairy industry? And does the department intend to apply a similar policy to shoe imports under section 19 of the 1958 Geneva agreements?

Mr. Speaker: Order. The question seems a bit too complicated. It is out of order at this time.

BROADCASTING

POSSIBLE CONSTRUCTION OF REPEATER STATIONS

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I have a question which you will probably consider more appropriate for ten o'clock, but I will put it anyhow.

As a more efficient and less costly means than the Laurendeau-Dunton commission to promote bilingualism and spread the French culture throughout Canada, I ask the Secretary of State or her parliamentary secretary whether, as a centennial project, the government intends to build "repeater" relay stations in all the great centres of the country, in order to retransmit programs of the C.B.C. French network?

Mr. Speaker: Order. I readily accept the hon. member's suggestion but have to tell him that his question should be put on the order paper.

[*English*]

AIR TRANSPORT

CANADIAN PACIFIC AIRLINES—POSSIBLE EXTENSION OF FRANCHISE

On the orders of the day:

Mr. W. H. Jorgenson (Provencher): I wish to direct a question to the Minister of Transport and ask him whether he is prepared to give consideration to the extension of the Canadian Pacific Airlines franchise so that it might provide for Ottawa a service to the public which Air Canada seems either unwilling or unable to provide?

Hon. J. W. Pickersgill (Minister of Transport): I would think this would be a very suitable subject for a speech by the hon. member in a few minutes time.

CO-OPERATIVES

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Registrar General whether we may expect a federal co-operative act to be introduced at this session of parliament? I ask this because there is no word about this in the speech from the throne.

Hon. John N. Turner (Registrar General): We are studying the possibility of a federal co-operative act at the same time as we are studying the constitutional aspects of the question. The provinces have certain responsibilities for co-operatives, and the relationship with the provinces in this field is very important. At the same time we are undertaking a general review of corporate and securities law—and these subjects hang together.

Mr. Douglas: May I ask whether those who are studying this matter and preparing the legislation intend to provide an opportunity for the various co-operative organizations across Canada to make representations prior to the legislation being introduced?

Mr. Turner: I would hope so. I am having lunch with the secretary and members of the co-operative associations next week.

SPORTS

HOCKEY—DENIAL OF OPPORTUNITIES TO AMATEUR PLAYERS

On the orders of the day:

Mr. Robert Stanbury (York-Scarborough): May I ask the Registrar General whether the government is planning any early action on the suggestion of the hockey study committee of the National Advisory Council on Fitness and Amateur Sport that there should be legislation to protect the rights and freedom of amateur hockey players in Canada?

Mr. Speaker: Order. I regret this question is too close to another, which was ruled out of order, to enable it to be asked at this time.

Mr. Stanbury: I thought it was very close to the one asked by the hon. member for Burnaby-Coquitlam. May I ask the Registrar General whether he is aware of reports that the Canadian Amateur Hockey Association at its annual meeting this week, acting under N.H.L. pressure, reduced all the age limits of amateur hockey players thus depriving thousands of young Canadians of a year of amateur hockey? This seems directly contrary to the recommendation of the hockey study committee.

UNITED NATIONS

MIDDLE EAST—DISPOSITION OF CANADIAN-DANISH RESOLUTION

On the orders of the day:

Mr. Heath Macquarrie (Queens): I have a question for the Secretary of State for External Affairs. Is the hon. gentleman able to inform us when the Security Council will be called into session and what the position of the Canadian delegation will be with respect to the Danish-Canadian resolution?

Hon. Paul Martin (Secretary of State for External Affairs): No time has yet been set for the next meeting. This awaits the convenience of the Secretary General, who has just returned from Cairo. The latest information I have is that the meeting is not likely to take place today. It can take place tomorrow or, for that matter, it may take place even on Sunday.

PUBLIC SERVICE

CONSIDERATION OF RECOMMENDATION OF JOINT COMMITTEE ON COLLECTIVE BARGAINING

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Prime Minister or to the President of the Treasury Board. Has the government yet given consideration to the recommendation of the special joint committee on the Public Service of Canada that legislation should be brought down to provide collective bargaining for the employees of parliament,

the library of parliament, and so on, similar to that which we have provided for the public service generally?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): This, of course, is primarily a matter to be considered by the Commissioners of Internal Economy of the House of Commons. The question has been discussed in previous meetings and no doubt it will be discussed further in the future.

[*Translation*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration.

As it is obvious since last night that the separatists are the allies of the New Democratic Party, for the purpose of the by-elections in Quebec, could the minister tell us whether he intends to inquire as to whether the agreement is formal or casual?

Mr. Speaker: Order. The question is out of order mainly because it contains allegations.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, if I may follow up the question raised by the hon. member—

Mr. Speaker: Order. The question has been ruled out of order.

Mr. Choquette: Then, I am going to put a relevant question.

I should like to ask the Solicitor General of Canada whether the R.C.M.P. has made an inquiry to determine whether separatist revolutionary elements in Quebec have really infiltrated the New Democratic Party.

[*English*]

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF TRANSPORT

1. Departmental administration, $6,655,700.

The Chairman: Order. House again in committee of supply, Department of Transport, vote No. 1. This vote is listed on page 504 of the blue book and the details are to be found on page 510. Shall vote No. 1 carry?

Mr. Pickersgill: Mr. Chairman, I cannot imagine that there is anything the committee would like less at this time than a speech from me. I feel I have already taken up a great deal of the time of parliament talking about transport in the year 1967, and I would rather hear hon. members of the committee and listen to their suggestions before making any observations that it may be necessary for me to make.

Mr. Bell (Saint John-Albert): Mr. Chairman, I am in a bit of a dilemma at this time. Two years ago the minister did not make an opening statement on his departmental estimates and things turned out unsuccessfully. Last year I suggested that if he did make a statement it might be helpful, but I do not think things turned out much more successfully last year either. So that with or without a speech we still seem to get the same result.

I should like to make one or two brief comments. I think we should recognize that considerable attention has been given to transportation generally within the period of about one full year. We looked over the departmental estimates extensively in committee slightly less than a year ago. Then we dealt with the massive transportation bill at the end of the last calendar year and the beginning of this one, when hon. members will recall that nearly every facet of transportation in this country was covered. We also had the officials of Air Canada in the committee a few weeks ago, and the Canadian National officials are to appear within a very short time. Therefore it is probably appropriate that this department is being brought forward first of all and is not one of those whose estimates are going to be sent to committee for detailed examination.

Having said this, Mr. Chairman, and having referred to the transportation bill that was brought in this year, I feel I must at the outset remind the minister that there is still one major aspect of transportation that has not been dealt with. The new bill was brought before the house and we had a successful debate. The minister had certain ideas about getting it through before Christmas but he wisely did not try to force it. It is often said that you cannot teach an old dog new tricks, but I for one think that the turning point in the legislation was before Christmas when the minister agreed to accept extensive amendments, even if this meant our consideration of the bill running into the new year. Incidentally, this advice might have been taken by the Minister of National Defence a short while ago, but that is another matter.

The minister received considerable credit at the time for this new legislation, and while there has been some delay in making appointments to the board and in taking action with regard to the preliminary work—to which I will refer later—the bill was generally received in the country as a major step forward for transportation in Canada.

However, there is one problem that was not touched on by this legislation and it has to do with an unfulfilled promise made by the minister in connection with the maritime provinces. As everyone knows, the consultants' study of our maritime transportation problems has been completed, the report is now in its final stages and will be presented before long. Even though there may be some credit due to the minister and the government for finally developing a new transportation policy as they did this year, the maritime M.P.'s—I consider I speak for all of them in that we are united on this—will not forget the study has been made and that legislation will result therefrom.

We contend that before finally any credit can be taken the minister has the solemn duty to fulfil his promise and bring about the changes that are necessary for a healthy transportation industry in the maritimes. While the minister is gadding about the country picking up honourary degrees here and there—whether they are given to him as a politician or a historian, I do not know—I would remind him that the maritime members of parliament will not rest until the report of this study is finally brought in and action on it taken by the government.

This leads me briefly to one or two matters in connection with the maritime ports, and I refer of course to the ports of Saint John and Halifax. The business in these two traditional winter ports is slipping away. I for one am not making any charges against the minister in connection with ice breaking or failing to deal with other problems that we have. There has been a tendency on the part of the government to shrug off its responsibility to see that the St. Lawrence ports receive a fair share of the business coming in and out of the country, but it is at the same time ignoring a promise that was solemnly made at confederation.

• (11:40 a.m.)

From time to time the minister may wonder, when he visits the maritimes, why the political fortunes of his party in that part of the world do not fare as well as in other parts of the country. I can tell him why that is. Whether he likes to admit it or not, the Diefenbaker years were good to the maritimes, and the maritimers know and appreciate that. If the government hopes to be well received in the maritimes and if he hopes to be recognized in his adopted province, action must be taken to ensure we are not left by the wayside in transport matters. The government has a responsibility for seeing that the longshoremen and others connected with the economies of Halifax and Saint John receive better treatment than has been meted out to them in the last two or three years.

I will not mention figures, but in Saint John we become very annoyed when the National Harbours Board periodically announces that a certain number of ships arrived at the port in such and such a period, giving the impression that the picture is rosy and that we may look forward to a bright future. The fact is that longshoremen's hours of work have been reduced by up to 10 per cent in the last two years. In 1966 they worked 129,446 hours less than previously—that is a lot of employment—and this year, though I have not the official figures, I understand that their employment will have decreased by 98,000 hours.

I will talk now of the grain elevator in Quebec, that the government owned. When private industry threatened to build a new elevator to compete with it, what did the government do? In effect it sold its elevator because it was afraid of competition. This is a change in government policy. The previous minister said at least twice that the National Harbours Board could run grain elevators competently; he hoped they would stay in the business, and even increase that business.

One might ask, what is the matter with selling one grain elevator at Quebec? The minister implied the answer, though it was not readily understandable, that such action relieves the government of its responsibility to see that all ports of Canada share in the grain export business. Now we have a private business operating in Quebec. I am not against private enterprise; the effect, nevertheless, of what has happened will be that private enterprise will handle more grain, and the minister will say: "I have no control over them; they are in private enterprise." Saint John and Halifax could conceivably lose much of their grain trade, which has become increasingly important because of the changes in other types of traffic I shall mention.

All the talk now is of containerization at ports, and this has become big business. Our

ports will have to be modernized and this will cost much money. The department has conducted research; nevertheless I hope the minister will explain in detail what the official thinking is about this matter. The government has a definite responsibility to enter the container business and to make the related investments. Many studies are going on, and we do not want unnecessary ones; yet I feel that the department ought to study this business of containerization in all its aspects. The government ought to decide what it will do in those ports under the jurisdiction of the National Harbours Board.

If the government does not act, big business will take its trade to ports such as New York, which have all the facilities for handling large containers. Montreal, another wealthy port, may rank second only to New York, and the maritimes will be left in the cold because facilities to handle bulk containers have not been developed there. Though Halifax competes with Saint John for business, I readily admit that Halifax has the capacity to handle large deep sea cargoes, and that Saint John has not that capacity at the moment. Container handling facilities at Halifax might be developed; nevertheless Saint John, with plenty of room behind the sheds, a favourable geographic position and four days less sailing time to Montreal, has many advantages. I say to the minister that he cannot continue to shrug off his responsibilities and hope that private enterprise or some magic wand will fulfil them. Halifax and Saint John are handling less and less modern general cargo shipments.

• (11:50 a.m.)

While on the subject, I hope there will be action on the Digby-Saint John ferry. A survey was conducted, representations were heard from communities of Nova Scotia and New Brunswick, and the need for the ferry established. In replying to a question in the house the minister implied that he was thinking in terms of a new ferry and I was glad to hear that. I hope the new ferry will provide the service that is necessary, the service the government owes to the ports of western Nova Scotia. That is another unfulfilled promise to New Brunswick and Nova Scotia, so far as transportation is concerned, that the government must meet. I hope a decision will not be too long delayed because it takes a long time to start the construction of one of these ships.

In closing the first part of my remarks on transportation in the maritimes, I express the hope that the minister will have an opportunity to bring us up to date on the consultants' report on transportation, to which I have referred. I know there are difficulties. The minister has taken time to get the best men he can on this board. I hope we will get far-sighted, experienced transportation experts, as well as people who have a feeling for this country and for the diverse transportation difficulties that exist. Unfortunately, I hear that some of those who have been mentioned for appointment to the board are not showing the excitement they should to accept appointment. I do not know whether this is due to salaries or duties, but I wish the minister luck. I hope he gets good men, representative of each area.

I also hope, as I said in connection with the transportation review, that the minister will take time to tell us about this massive document, which has been compared with the Carter commission report, containing 12 sections and covering everything in the transportation life of the maritimes. I can see a general round of lobbying and more briefs as a result of it, but I hope the report is so clear cut and that the minister takes such a strong stand on its conclusions that everybody will be happy. If he does, his name will go down in maritime transportation history, and once again we in the maritimes will be sitting in the sun.

I wish to make a brief reference to the air picture. It was alluded to in a question today, and it was stated earlier that Air Canada is having trouble with some of its services. I know Air Canada is under a great strain this year because it is being called upon for extra duty in connection with Expo, and delivery of planes is not as satisfactory as one would have wished.

At the committee hearings on Air Canada Mr. Gordon McGregor came forward in his usual straightforward manner and gave us the answers to our questions. He held nothing back, but in the final minutes of the hearing it appeared to me and most other members of the committee, when we were examining the company's budget and questioning the accountants, that Air Canada at present needs a full review and overhaul of its financial structure. I think one of the accountants said they were having trouble with their cost equity basis, or their loss equity basis. Everyone knows Air Canada goes to the C.N.R. when it wants to borrow money. It is not an independent company in the strict sense of the word.

Arrangements are made to amortize its expenditures for the new planes which it needs for its fleet. But difficulties are now imminent in two respects. One is the giant sums of money which will be needed to finance the new SST's. In fact the company is talking in terms of $300 million. We should know exactly where the company stands as a separate entity. There is no net funded debt, and no debentures or the like to establish this. I am not an accountant, but the minister knows that now when Air Canada is in big business something has to be done. Mr. McGregor and the accountants suggested that it might be worth while to have a full study made of this question. At present the accountants are conducting a study of a minor nature, but that will not be enough.

A second reason for a full study is that Air Canada, whether it likes it or not, is now in open competition with Canadian Pacific Air Lines. I am not against C.P.A. being allowed to compete, because I think availability of choice has to be given to Canadians. The Conservative party, of which I am a member, made the breakthrough in this field and brought C.P.A. into the transcontinental picture. Although I am not against this, I think that we owe it to Air Canada, as a creature of the government, of the Canadian people, to bring it up to date and establish where it fits into the picture.

The other night many of us on the transportation committee were invited to a dinner commemorating the 25th anniversary of C.P.A. At the dinner a satellite was displayed, and I thought C.P.A. was really thinking modern. It was indicated to me that it was getting into the air business on an increasingly large scale. Although the minister was not there he may have heard that C.P.A. had three mini-skirted hostesses moving among the guests, to give us an idea of future travel and of the services of stewardesses in the future, and the thought struck me at the time that, by gosh, I should ask the Minister of Transport what he is doing about getting mini-skirts for Air Canada stewardesses. I think the minister should place high priority on this, and do something about it, himself.

Some hon. Members: Hear, hear.

Mr. Bell (Saint John-Albert): The only other major topic that in my opinion deserves attention is what is called the domestic satellite communications system. I am not aware of all its implications but I know it is very important. I read the brief presented to the committee on what might be called the Soble proposals. This brief was presented by the Department of Transport to the B.B.G. It shows that the officials in the department are on their toes and are thinking about this matter. I know that an advisory board has been set up within the department to study telecommunications. Progress in this field is being made very quickly. It is an important field to a country which has the geography that Canada has, and if we do not move in fast we could be left by the wayside.

The brief to which I have made reference called attention to the high degree of co-operation with the United States that is necessary, and to the difficulties in that respect. I think the minister should report on what is being done. The brief also referred to the studies the Department of Transport itself is conducting, and I assume this refers to matters in Canada. It forecast the availability of these studies in the late spring of this year. I hope the minister will bring us up to date on them.

Does the minister plan to have this matter referred to the transport committee? It is all tied in with the Bell Telephone representations, which will be coming before the committee this year. I shall not dwell on it now. It is a complicated subject, but it is very important for a country like Canada and we cannot afford to relax on such an important matter.

• (12 noon)

There is a lot of good in the estimates of the department this year, and in the work it is doing. It is hard to check the department thoroughly because it is very complex. It is a big department, and the minister is one who does not make speeches every day about his department or about policy. As I said at the opening of my remarks, I do not know whether this is good or bad. Every day there seems to be a speech about something from some minister of the government, which appears on our desks. The minister is getting around. I appreciate the fact that this is what he should do as Minister of Transport, with or without honorary degrees. He does not make speeches, or at least we do not receive copies of them. First we think this is good, but then we begin to realize that we do not know too much about what the department is doing. Many releases of a formal nature concerning the activities of the department are sent out. They keep us informed in this way. The department is on its toes in this regard. We had the release concerning the coastguard school. This is something in respect of which, as the

minister knows, I am interested. This is a good thing, particularly now that the government has wiped out the navy. We have the coastguard and can bring up our young men to follow the sea. I notice that there will be proper training on the *Bluenose II*. This is an indication that the department is doing some things with which I agree.

Another matter with which we in the maritimes have been concerned is the dumping of oil in our harbours. This is a problem not only from the standpoint of the harbours themselves, but also from that of pollution, which has an adverse effect on our fisheries. I notice that the department evidently has shown some leadership in bringing the captains of these vessels to court and successfully obtaining fines against them. I commend these things. In reviewing the estimates I notice that the amount of the appropriation for the marine service is increased. This is what we want; we want to do things in respect of the sea in every one of its aspects. Without knowing the details of these expenditures, I approve of any increases which are there.

I do not know what the plans of the minister are in respect of the Atlantic Development Board. He is responsible for this. This matter, one of importance to the maritimes, had a thorough going over last year during the committee hearings. I hope some questions will be asked about this. I also hope, when this item is called, that the minister will take the opportunity to say something about the matter. I hope there will be more money for the maritimes, without the usual political strings attached.

The Atlantic Development Board certainly is different from the original board which was established by the Conservative government. I am not against the allocations of funds which have been made, but I do suggest that some thought should be given to this. Perhaps the minister has in mind new legislation. We should know where we are going in so far as the Atlantic Development Board, and the principles which were originally established in respect of it, are concerned.

As the minister knows, another matter which is a favourite of mine is the St. Lawrence seaway. I have on the order paper a motion which asks that we look into the matter of the seaway in all its aspects. This is something we owe to the taxpayers of Canada. We want to know about the debt structure, the tolls, pollution, navigation, height of water, levels of water and the situation in Montreal harbour. This is something which affects every part of the economic life of this country. A full scale review of the St. Lawrence seaway is necessary. We were not against the idea of the seaway when it was presented to parliament, nor were we against the seaway when it was finally constructed. We thought it was something which would be good for the country. We should like to know however where the maritimes fit in vis-à-vis the seaway.

The whole matter of the St. Lawrence seaway is becoming increasingly important every day. In these same releases I mentioned, every week we see items about icebreaking—a new icebreaker, new icebreaking methods, and the like. I am sure the department must be concerned about something other than icebreaking. Surely the time has arrived when the minister could say exactly what the policy is in respect of icebreaking. He owes this to us. If he hopes to be recognized in the maritimes and in Newfoundland as more than an orphan, then I think he should tell us where we are going, who is paying for what we are doing, and the whole business. I shall resist the temptation to speak any longer at this time about icebreaking.

Previously we have asked questions about two reports. The minister says that the only thing he knows about them is that those reports are not lying around on his desk. The reports to which I refer are in respect of coastal shipping, and an interdepartmental committee on a possible future merchant navy.

Mr. Pickersgill: When the hon. member refers to coastal shipping does he mean the report on pilotage?

Mr. Bell (Saint John-Albert): Yes, which was requested by this government.

Mr. Pickersgill: You mean the previous government.

Mr. Bell (Saint John-Albert): The previous government, of which I was an insignificant supporter.

Mr. Pickersgill: I was so concerned about establishing whether it was the pilotage report to which the hon. member referred that I missed the name of the interdepartmental committee. Would he repeat that?

Mr. Bell (Saint John-Albert): As I understand it, an interdepartmental committee was

set up to look into the possibility of a merchant navy for Canada. Through the action of the Minister of National Defence we have lost our navy and are anxious to know exactly where we fit in. I think this report should be brought forward, so that we will know that it is not lying around somewhere in the department.

The other matter which I forgot to mention is that concerning shipments of flour.

The Chairman: I must advise the hon. member that the time allotted to him has expired.

Mr. Pickersgill: Surely the hon. member could be given an extra minute or two in order to talk about flour.

Mr. Bell (Saint John-Albert): Again I shall resist the temptation to resume the debate we had on flour during our study of the transport bill. Everybody co-operated. This was one occasion when I went home from the House of Commons feeling good about something, even though the minister had filibustered his own bill. We made some progress in respect of the matter concerning flour. At that time it appeared that Canada would not be in a position to ship to communist countries the quantities of flour it had been shipping previously. We corrected this situation. The minister put his officials to work on it and eventually the situation was cleared up. This was good. Now to a greater degree the shipments seem to be going through the port of Montreal.

I know the milling companies are located in Montreal and that sometimes it is convenient for them to ship through that port. I am not suggesting that the government is responsible for this. I do not even believe the railway companies are fooling around with the rates. I do say, however, that it is the responsibility of the government to see that the maritime ports receive their fair share. At least what has been established as our fair percentage of the flour shipments should go through the ports of Halifax and Saint John. The government may not be involved in this. It may simply be a situation where the milling companies say that it costs them more money to ship through these ports.

This brings up the matter of transportation rates and takes me back to the point where I began my remarks. I should simply like to reiterate that the minister has not yet fulfilled his promise to do something about the situation in the maritimes, which is slowly getting worse. The situation which existed during the past winter is testimony to that fact.

• (12:10 p.m.)

Mr. Winch: Mr. Chairman, I believe I speak on behalf of all members present in the house when I thank the hon. member who has just taken his seat for giving us the opportunity to chuckle. He did so several minutes ago at the conclusion of a 45 to 47 minute presentation when he said he was not going to hold the house up by making a lengthy speech, but would reserve his comments for a later date. I lost track of his points after the seventeenth, but let me say that the hon. member has without doubt presented the major problems involving everything, from flowers to ports, which face the maritime provinces on the Atlantic. I know the minister will answer all the hon. member's point in detail before this consideration of his salary vote is concluded, but I should like to ask him to transfer his ministerial thinking from the Atlantic to the Pacific coast.

It is not my intention in any way to make my remarks in the nature of political criticism or comment regarding the past actions of the minister, but I should like to ask him whether it is possible under this vote to remove some of the confusion that exists so far as the Pacific coast is concerned, and give us a clear indication of what is taking place or will take place in this regard. It is about time the government recognized the potentialities of the province of British Columbia in relation to transportation and port facilities. This is very important in my opinion, and I regret having to reiterate it, as I did try to bring it to the attention of the house when I spoke during the concluding day of the debate on the address in reply to the speech from the throne.

Surely it cannot be challenged that the port of Vancouver, and what will be ancillary ports in the lower mainland of British Columbia, if not now, will in the near future provide not only the greatest port facilities in North America, but perhaps the greatest in the world. I make that suggestion, with the knowledge that Canadian trade will expand to a great extent in the future, particularly with eastern countries.

We are very proud of our natural resources, but I regret that far too often we export them for manufacture into articles by other countries, which in turn we import. We all hope this situation will change very soon. In this regard I hope the minister can assure us that it is government policy in respect of the export of our natural resources that they move

over Canadian transportation lines and through Canadian ports.

Although I read the newspaper reports this morning I am still not clear as to the movement of coal from the Crowsnest in British Columbia and Alberta under major contracts signed with Japanese importers. It would be a regrettable situation if the millions of tons of coal produced annually in British Columbia and Alberta were exported to Japan by way of transportation systems and ports in the United States. I sincerely hope the minister can resolve this present confusion by stating that arrangements have been made between the governments, contractors and railways for the movement of this coal production over Canadian transportation systems to Canadian harbours for export. This is a very important matter and I trust my colleague, the hon. member for Kootenay West, does not mind my mentioning it. I am sure he will go into it in greater detail if a satisfactory assurance cannot be given by the minister.

My second point is of particular concern to me as a member from Vancouver. At the present time about one third of the south side of the port of Vancouver falls within my constituency. After redistribution about 80 per cent will fall within the constituency of Vancouver East. Be that as it may, irrespective of the party we support, the hon. member for Vancouver Quadra, myself and others are concerned about the port of Vancouver. We are all anxious, because of other than political reasons to know what are the plans for the development of the port of Vancouver. This is of tremendous importance to the city of Vancouver as well as to the province.

Let me repeat what I said the other day when unfortunately the minister was not here. As a result of confusion in respect of provincial and federal jurisdictions a most serious problem is arising, and unless these jurisdictional jealousies are resolved the people of Vancouver and British Columbia are going to suffer. There has been a great deal of development in the port of Vancouver by private enterprise and there will be a great deal more in the future, particularly from the Lion's Gate bridge to Port Moody. This year as a result of plans of the harbour commissioners of the federal government the capital expenditures have been quadrupled.

Our port facilities must be enlarged because of the development of new ships of greater size for carrying cargoes of different types. Although we live under capitalism, speaking as a socialist let me say that private enterprise is prepared to invest in this development, but there is some anxiety because of the lack of knowledge regarding future plans and the confusion in relation to jurisdiction. The provincial government under a Social Credit premier, not being satisfied with already having the largest port facilities in Canada, either existing or planned, is now considering the development of harbour facilities at Robert's bay under provincial jurisdiction and financing.

Mr. Chairman, I would urge the Minister of Transport to get in touch with the provincial authorities, the harbour commissioners and free enterprise developers regarding the future of Vancouver harbour and ancillary facilities, because unless some understanding is reached between these parties I feel we have reason to worry about the future status and financial stability, of these facilities in the province of British Columbia.

In my opinion and that of the people to whom I spoke just a few weeks ago, this situation is absolutely stupid. Unless there is a co-ordinated plan of development there will be a loss to investors, a loss to the city of Vancouver, a loss to the province of British Columbia and a loss to Canada. Empire building and jurisdictional disputes may cause millions of dollars to be spent unnecessarily in certain areas. A specific plan should first be completed in one area. To my mind this is of the utmost importance.

• (12:20 p.m.)

I would ask the Minister of Transport to tell us what discussions are being carried on at the moment and, if discussions are not in progress now, what is planned for the future in order that there will be co-ordination in planning as between enterprise investment, federal government expenditure and the province with regard to the necessity of wharves, railway facilities and warehouses, so that the great port of Vancouver and the lower mainland area of British Columbia will have a development that is efficient, reasonable and satisfactory, looking ahead not only to the next few years but, I would say, for almost the next quarter of a century.

I repeat, Mr. Chairman, that I make this appeal not as a member of this party, not as a member of the opposition but as one who has lived in Vancouver since 1910, knows its potentialities, has faith in its future but also has real fears that our Pacific coast may lose its great potential because of challenges of jurisdiction, political expediencies and personalities between governments. I am certain

that all members of the House of Commons who come from the lower mainland of British Columbia will join me in asking the minister to inform us what he is doing in this respect and what the government has in mind to resolve the present difficulties and confusion.

I have just one other point, Mr. Chairman. I raise it because it is also a major importance. The Minister of Transport was finally able to get started on the new international airport in Vancouver. We thank him for this. That work is now proceeding. We hope that in the planning of this new airport provision is being made for the runways to handle the new types of aircraft which will be landing there in the future. I repeat what I said in the debate on the speech from the throne, because the minister was not here at that time. We from Vancouver think it is impractical and unreasonable—I do not know what the eventual cost will be, but I imagine it will be around $20 million at least—that in respect of this airport no decision has yet been made on the new access. I sincerely hope that the minister will not accept any longer a delay as to who is responsible for this access, the city of Vancouver, the province or the federal government.

I reiterate that I know the problems, I know the difficulties, I know the jurisdictional disputes and I know the personalities. Through you, Mr. Chairman, I tell the minister that the people of Vancouver, the citizens of British Columbia and indeed of the whole of Canada are fed up with personalities, difficulties and disputes over jurisdiction. For heaven's sake, why should the people have to suffer because governments cannot reach a decision? I sincerely hope that the minister, who comes from Newfoundland, will recognize the beauties and great potentialities of Vancouver and British Columbia, can tell us that these matters will be resolved and that we will have action pretty soon, instead of promises.

[*Translation*]

Mr. Godin: Mr. Chairman, I am very happy to say a few words on the estimates of one of the most important departments, because a large part of the development of our country is due to the railroads. Fully aware of what has been accomplished, I will make bold to utter a few suggestions.

As I emphasized to the minister a few minutes ago, some workers are somewhat ill-treated. There are not very many but, in any case, it is important enough to be dealt with. On this point, I will quote the example of the province of Quebec which, on December 27, 1960, condemned the bunk beds in lumber camps. We are aware that, for a long time, our lumberjacks had to sleep on mats of evergreen and under tents; but that is all past.

As far as some railroad employees are concerned, the summer crews among others, who must live in accommodation cars, union representatives had succeeded in obtaining from the railroad authorities, in 1965, the promise that bunk beds would be eliminated.

In 1967, the bunk beds are still there, which means that these people must live in abnormal conditions, since the temperature often varies by 35° within a single car: it may go from 70° for those sleeping in the lower bunk to 105° for those in the upper bunks.

I will remind the minister that the temperature is better controlled in the stables and henhouses than in those cars. I should also like to point out that man is better than a machine, because the machine will wear out whereas man, if he is well fed and rested, may increase his strength by working. One knows, for instance, how our soldiers are protected, how they are able to rest.

I would ask the minister to be so kind as to take the matter into consideration in order to give a little more comfort to those workers who did what they could, who did not spare their efforts to develop Canada as we know it today.

Now, a word about security. This involves some quite thorny problems. For instance, in Montreal, at this time—I take the liberty to read from a letter written to me by a citizen of the city of Montreal—

> —they want to shut down the Rockland Tower, under the pretense that there is now an overhead and that the positions of operators were mainly to protect train traffic, which is very dense.
>
> The C.P.R. is now building a 108-door shed in the Outremont yard, slightly east of where the operators work. There will be three tracks accommodating 40 cars each for loading the pool car going west. Hundreds of trucks and vans will cross six tracks without light signals, because it is claimed that the crossing is private.
>
> Having worked there for three years, I know that without protection this will be hazardous for the truckers who will have to use the crossing regularly to unload their trucks.
>
> Moreover, without operators in the tower, the dispatcher has no means of knowing where the trains are between Montreal West and St. Martin Junction, there being no operator between those two points, a distance of some 18 miles. In addition, right between those two points there is the St. Luc yard from which freight trains pull out without knowing whether all passenger trains have gone through.

And the letter continues:

You know what happened at Dorion, not long ago.

I say to the minister that adequate signals should be installed there. But instead, pretexting economic reasons, operators are being removed, positions cancelled and lives are endangered.

• (12:30 p.m.)

I shall point out to the minister that he should require an investigation and not rely upon the recommendations of the Board of Transport Commissioners, since at the present time 75 per cent of its management are former employees of the C.P.R. or the C.N.R.

Automatically, the Board of Transport Commissioners has become the Senate of the railways. It is not surprising that numerous accidents occur in some places because, as always, under the pretext of economy, essential things are forgotten.

Now, I will say a few words about Air Canada. I must congratulate Air Canada for the beautiful trips we owe to it. However, times of departure, namely, should be better controlled. Here, I have in hand a card which was given to me to go aboard—I will not give the date so as not to offend the employees who were there—but, at any rate, on three occasions in the same month, I had to get off the plane leaving Montreal for Quebec. On three occasions, I had been given a boarding card.

The first night three people who had been given boarding cards had to get off because there was not a single empty seat inside the airplane.

A similar situation arose ten days later when another passenger and myself had to get off. At that time, and I point it out to the minister, it was at the end of the winter, because I was still wearing a hat and I could travel incognito. I did not use my influence as a member of parliament; I just let myself be pushed around like an ordinary citizen.

Since the same thing happened a third time, I wonder if it would not be possible to control more efficiently the list of people boarding the airplane.

Had some people boarded the plane without tickets? Are people allowed to travel standing up? If seats had been vacant, then my boarding card would have been valid. But the day when the airplane is full and three people have to get off, it is not the same thing. Supposing that the plane had been only three quarters full and that the last three people had been allowed to board it, were there unregistered passengers inside? If so, and in case of accident, what would happen to the unregistered passengers?

Therefore, I ask the minister to investigate that matter and to take steps so that the personnel doing that work will enjoy less patronage and be stronger in arithmetic.

Fortunately, Air Canada always realizes profits which may compensate for the services provided by the C.N.R. However, I think Air Canada could take a look also at the flight schedules.

When I go to Montreal, for example, I always reserve a seat on a plane leaving rather late, around 8:30 or 9 p.m. However, if I want to leave for Montreal earlier, my name is put on the waiting list.

Three weeks ago my name was put on the waiting list for the plane leaving for Quebec at 7:30. I was made to wait at a gate and then told that there were no seats left and asked to go to gate number 7, where the other plane was leaving for Quebec. But the two planes were scheduled to leave at the same time. While I walked 50 feet inside the airport, the other plane left.

Would it not be possible to delay the departure of the second plane or move ahead that of the first? Anyway, I do not know what we could do about that, for the problem belongs to Air Canada. One plane goes directly to Quebec while the other makes a stopover at Trois-Rivières. I think the one stopping at Trois-Rivières could leave four or five minutes earlier or later without it making any difference.

At any rate, that would have permitted me to leave earlier. If I insist upon this point, it is not that I had to wait in Montreal, for we are graciously welcomed, very well fed, the stewardesses are charming, in brief, it could not be better in this regard.

When I was allowed to get aboard the plane for Quebec, other passengers were refused aboard. As for me, they could not prevent me from going aboard, since I had a reservation. Nevertheless, those who were waiting could have gone aboard, if I had been given the opportunity to leave when I was ready.

That is another suggestion I am making to the minister. I presume he will get many more from other members and I can even see that the hon. member for Trois-Rivières (Mr. Mongrain) will certainly have a few to make also.

I hope the minister will consider all those suggestions in the best interest of the Canadian people and especially of the pocket book of the Canadian government.

[*English*]

Mr. Deachman: Mr. Chairman, I notice in looking around the chamber now, in the lunch hour, that for the most part the hon. members who are here are members from the Atlantic and Pacific coast constituencies, and from the mountains and the prairies, because we are the ones who, when the estimates of the Minister of Transport are before the house, are most interested in this subject. To those who are present in the chamber at the moment, let me say that this is perhaps one of the most vital debates in the course of the year and an opportunity to place before the Minister of Transport some of our own ideas in respect of transport and communication to the remoter areas and the periphery of Canada; because in this thinly populated nation, holding such a vast territory, it is only by the improvement of our systems of transportation and communication that we can do our best to make possible the kind of living Canadians enjoy.

I join hon. members opposite, in particular the hon. member for Saint John-Albert, in congratulating the minister for having put in a very good year as Minister of Transport, particularly in the carriage of his massive transportation commission bill during the last session and, of special interest to us in British Columbia, the acquisition of the C.P.R. lands in the harbour of Vancouver, which broke a deadlock of decades and now permits the National Harbours Board to expand and improve the port of Vancouver in a way it could not before. This has been immediately reflected in the increased priorities given to planning in the harbour of Vancouver, and in increases in the capital expenditures of that port. This is certainly worth while to see, for those of us who have long been advocating that government initiative should break the deadlock which had long rested in the hands of the legal experts, and has now enabled the port to go ahead at a renewed and increased pace.

People in British Columbia worry about the port of Vancouver. In this statement I include my hon. friend from Vancouver East, who is disturbed by the action of the province of British Columbia in bringing down a bill in the recent session of the legislature to establish a B.C. harbours board. Certainly this is a startling piece of legislation and, one would expect, far outside the control and jurisdiction of the province. But we know why this measure was brought down. Basically it has to do with the prospect of moving vast quantities of coal from the Kootenays, loading it on to bulk carriers at Vancouver and moving it to the smelters of Japan. The passage of this bill reflects the anxiety of the British Columbia government, lest the port of Vancouver and the facilities available through the National Harbours Board will not be adequate for this task. I think it would be a great tragedy if harbour development were to begin to take place at the instigation of two levels of government in the absence of the cohesive planning which the National Harbours Board is able to give in connection with port development.

• (12:40 p.m.)

I certainly wish to urge at this time that the minister place his full support behind the port of Vancouver development committee. It was in 1953, or thereabouts, when the people on the north shore were wondering whether that side of the harbour would be adequately developed by the National Harbours Board, and struggling with the question of settling the long dispute over the C.P.R. lands so that the port could expand, that the port of Vancouver development committee was established.

It was the present Minister of Transport who met with representatives of the city of Vancouver and listened to their proposals for the establishment of a port development committee, which has worked very well ever since. It has produced some useful reports and background help to the National Harbours Board in planning transportation on the Pacific coast. I wish to emphasize the value of this committee which was established by the present minister, and ask him to consider carefully whether he is providing that committee with sufficient expertise to enable it to carry out the job it wants to do—for example, in determining whether or not we should be building bulk loaders on the mainland or whether they could be contained inside the harbour.

I want the minister to consider whether or not the committee is receiving all the help it needs to carry out this expert, high level planning and to get its ideas before the government and before the people of the west coast who are constantly worried about what is in store in the long run for the port city. We hear on the one hand from the British Columbia government that we need extra

loading facilities outside the port of Vancouver. On the other hand, strangely enough, we find that a vessel called the *Sigsilver* was able to dock and load in the port without difficulty, despite its heavy tonnage.

Mr. Chairman, the *Sigsilver* sailed under the first narrows bridge on its first maiden voyage. Its size was such that it virtually blocked the view of Grouse mountain and the north shore. Yet this vessel, a vessel of 103,021 tons which draws a maximum of 49 feet of water, and is 820 feet 2 inches long and 133 feet 10 inches wide, tied up in the port, loaded 73,000 tons of grain and sailed out again. This was a spectacle which set the city of Vancouver on its tin ear. We witnessed it, while Mr. Bennett was telling us that what we need today is to go outside the port of Vancouver and dig a big new harbour. I am not convinced in the least that Mr. Bennett is right. I am frightened that if he goes ahead with this project—though I do not see how he can, within the powers given him under the British North America Act—we in British Columbia will face an increase in taxation the like of which we have never seen, in return for a project which would prove a white elephant the like of which we have never seen.

This is why I believe the port of Vancouver development committee should be beefed up with all the technical assistance it needs, and afforded every opportunity to express its views to the government and to the people so that they may understand where we are going and not foolishly undertake the construction of a white elephant at a time when we need to develop our port intelligently, with dollars spent to the best purpose and in the best interests of the people of the west coast, the prairies and the country generally.

I wish to mention now a subject which has been drawn to my attention by people in Vancouver who are very much concerned about the dumping of garbage by pleasure boats and small craft using the strait of Georgia, which is a small inland sea about 20 miles across from Vancouver island. It is likely that more pleasure boats sail in this area than in any other area around our shores, coastal or inland. As our wealth grows and our leisure increases, the number of small craft sailing in this area is increasing at a tremendous rate. All kinds of new facilities are needed, and the use of these craft needs to be brought under a certain measure of control because the point is being reached at which they are begining to pollute the strait of Georgia.

[Mr. Deachman.]

Garbage is washing up on beaches where people have built permanent homes and cottages. Before these practices become entrenched I want to draw the situation in the strait to the attention of the minister. I know he has taken one step for which we in British Columbia will be grateful. He has appointed a highly respected member of his staff to make a survey of the needs of small boat harbours. It may be that the terms of reference governing that survey need to be widened to cover the whole question of how best to deal with the massive increase in the numbers of small vessels which plow up and down this inland waterway.

I wish to turn for a moment now to the subject of the Vancouver airport. I hope the minister will be able to tell us how the construction of this airport is progressing. Each time we visit Vancouver we see the framework of the new airport building progressing. We are anxious to know when the building and the runways will be available for use. We are just as anxious to know what solution will be found to the knotty question of providing an access tunnel or bridge to the new airport.

I have letters in front of me from the Vancouver Real Estate Board, the Marpole Chamber of Commerce, the chamber of commerce of the lower mainland and from the B.C. Towboat Owners Association, all expressing concern about the crossing of the north arm of the Fraser river, the arm of the Fraser river which leads to the sea. It is used intensively by large traffic, and each year, as bigger barges are built, the clearance required in both width and depth continues to increase. Industry is naturally concerned therefore about the kind of bridge which would be built. This is a question which has to be settled without delay, because intending passengers will want to get to the airport quickly. We want to see the airport completed speedily, and we want this connection to be made as soon as the airport can be opened. I realize this raises once again a jurisdictional problem as between the two levels of government; but there are good reasons why these jurisdictional disputes should be settled to enable us to get on with the work.

• (12:50 p.m.)

I want to refer to one item I had a little bit to do with at the time the transportation commission bill was passed. It involves the movement of feed grains into British Columbia and the rail rates which apply to their movement. A clause was introduced into the

bill at the time which indicated that this subject would come up for review within six months of the establishment of the commission. The farmers who were feeding stock in British Columbia raised this issue with members from British Columbia and asked that it be brought up at the time the bill was before the house, and they are anxious to know when this matter is likely to be attended to in the future. They will want to make representations at that time, and therefore they would like to know how to make those representations and when to make them.

I should like to compliment the minister as well as Air Canada upon the establishment of a new DC-9 service from Ottawa through Winnipeg and Calgary to Vancouver. This is a considerable improvement over the former service where we had to go through Toronto. We always had to wait at Toronto airport for at least an hour and a half and often longer in order to make a connection to the coast. Certainly the new service speeds up communication with the coast and adds an additional line which is very useful indeed to members and government officials who are travelling to and from the prairies and the coast.

Finally, Mr. Chairman, I want to make a few remarks about the question of a communications satellite which I think was a matter raised earlier in the debate today. I hope the minister will say something about this. There are just three points that I want to make about a communications satellite, a subject that I find pretty fascinating.

We in Canada with not too much expense to the individual could put our dial telephones on a flat rate basis with the use of a satellite, and this would mean that any Canadian could pick up his telephone and dial the user of any other dial telephone in Canada. This could be done on a flat rate basis, as I say, at not too great a charge on a subscriber's present bill.

Satellite communication would not only assist in the increase and broadening of such a service, but it would also—and perhaps this is the most fascinating part about it—enable telephone service to be provided to virtually every corner of Canada, even to the north pole if somebody was up there with a telephone in his hand. I think this would be a magnificent addition to the capability of Canadians to communicate with each other.

Communication, Mr. Chairman, is not really costly compared with many other things we do. It is not as costly, say, as building railroads, roads, canals, or even icebreaking, as pointed out by my hon. friend for Saint John-Albert. It is an area in which we can afford to go far beyond what is done by other countries, even the United States. It is essential to a great country like this, which covers such tremendous area, that we communicate with each other and do everything we possibly can in this connection.

I might also point out that a satellite is capable of providing us with television on a virtually universal basis. I do not see why Canadians have to be slaves either to United States programs or to C.B.C. and local programs. I do not see why we cannot become the first country in the world to make available to its people virtually universal television coverage by bringing to Canadian viewers via a satellite network programs from Moscow, Paris, London, and even Peking, if they want to talk to us or harangue us.

I see nothing wrong with letting the Canadian people see what goes on in world through universal T.V., and this can be provided with a satellite. We have the facilities to do it and, again, it is not something that will be too expensive. It is a great dream, the kind of vision that Canadians, of all people, can afford to dream about.

This concludes, Mr. Chairman, the points I want to make in this address today. It has certainly been a pleasure to me to have been a member of the transportation committee over the last two years and to have had the opportunity to confront the minister and members of crown corporations and find out something about their various operations.

Mr. Southam: Mr. Chairman, on looking at the clock I would ask the permission of the committee to adjourn this debate until after lunch.

The Chairman: Does the committee wish to call it one o'clock at this time?

Some hon. Members: Agreed.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Southam: Mr. Chairman, I welcome this opportunity of speaking on the transport estimates. Before going further I wish to compliment the hon. member for Saint John-Albert, the official spokesman for our group on the transport and communications committee, for his comprehensive briefing of the

minister before lunch on the problems now facing Canadian transportation. The hon. member complimented the minister for successfully piloting through the house the massive transportation bill. As a member of the committee I second what the hon. member said. The legislation was most important and we appreciated the minister's co-operation. It took a big, forward step in bringing our transportation legislation up to date. Nevertheless the benefits of the legislation will not be realized unless in the near future the new transport board is set up. That is the most important initial step which ought to be taken. To solve our transportation difficulties the new board ought to be set up at once and fully manned.

We realize that the minister is having a difficult time, as the hon. member for Saint John-Albert suggested, in obtaining appropriate personnel for the board. Nevertheless the board must be set up and fully constituted if it is to decide on transportation matters. Setting up the board is the first step which ought to be taken, and it ought to be taken immediately.

I have in my hand a copy of a letter written by Mr. G. P. Miller, solicitor for the Canadian Pacific, to approximately 125 reeves, councillors, town clerks, etc. of various places in the Regina subdivision in that part of Saskatchewan. The letter refers to a large segment of the communications system of that part of our province and to an application for the removal of station agents —carrying through, in other words, the Canadian Pacific proposal for the establishment of a master agency plan.

I need not tell members of the committee or the minister that consternation will develop in the near future among the people of this part of Saskatchewan should the application for the removal of so many agents from so wide an area be granted. I shall mention a few of the many municipalities involved and try not to bore the committee. At the head of the list is Grenfell, followed by places such as Indian Head, Stoughton, Carlyle, Rouleau, Torquay, Wolseley, Qu'Appelle, Fillmore, Redvers, Arcola, Milestone, Imperial and Midale. These are all important centres of railroad communication in this part of Saskatchewan, and removing the station agents in one fell swoop from such a large area would create many difficulties. This application ought not to be considered for a minute until the new board has been fully constituted, and I urge the minister to allow these municipalities a hearing before the board, after it is set up, before the requests in the application are granted.

That is only one part of the difficulty. As members of the committee know, the railways accepted the suggestion of the MacPherson Royal Commission that they apply to the Board of Transport Commissioners to abandon certain rail lines. These applications to abandon were reviewed in depth. Here, again, I think the minister did right, prior to the full implementation of the transportation bill, in applying a moratorium on applications seeking to abandon some 2,200 miles of line. This action has in a way poured oil on the troubled waters for the time being and established in the minds of the people of western Canada that there is not going to be wholesale abandonment of lines. But it still left about 1,800 miles of line to be considered, and immediately the bill was passed there was a rush by the railroads with applications to abandon these 1,800 miles of lines. Approximately 900 miles of these lines lie within the boundaries of Saskatchewan, and once more I urge the minister to have the greatest concern regarding the final outcome of these abandonment applications.

• (2:40 p.m.)

I believe we should have retention committees established again and complete hearings before any of these applications are granted. As hon. members know, as one vitally interested in the problem of rail line abandonment I have had a private members' bill on the order paper for the last several years to provide that if a particular segment of line is to be abandoned following application the abandonment shall not take place until the expiration of at least a five-year moratorium. I introduced that bill for the simple reason that railroads are a vital part of the community life of the rural areas of Saskatchewan. This is true of other provinces as well but it is particularly applicable to the west where the transportation of our grain is one of the basic responsibilities of railroads.

In many of the small towns and villages through which railway lines run the general store caters to the needs of the surrounding area. In many cases it houses the post office. These small villages may contain a garage repair shop which repairs the machinery of the local farmers, and the owners of these places should have a reasonable time within which to pull up stakes, dispose of their property and make arrangements to establish themselves in some other form of livelihood.

There is also the question of the elevator companies which provide services to farmers along the railway lines. Their owners should have time to dismantle the elevators, move them elsewhere and make arrangements for their former patrons.

When railway lines are abandoned the municipalities affected are faced with the responsibility of providing transportation facilities involving the construction of better roads. If there were a five year moratorium on abandonments this would allow provincial and municipal governments three or four years in which to plan ahead in order to find the tax money for the building of roads. Again I suggest to the minister that he give serious consideration to these matters before further action is taken on rail line abandonment.

Under the new transport legislation we tried to establish the concept that rates would be set by competition in the market place. I believe in this principle of free enterprise, but with reasonable controls and with people being realistic about the establishment of rates. It has recently come to my attention that already, before the new board has been able to start functioning, rates have been hiked in several areas of western Canada in what are known as captive zones. Rates have been raised by both the C.N. and C.P.R., and the increases in both cases have been uniform.

We do not know whether this is due to collusion between the railroads or whether it has happened by accident, but when one finds exactly the same increase being made by two railroads, both in areas where they have no competition and where they have competition, one begins to wonder what is taking place. This indicates to me that the sooner the new transportation commission starts functioning, and the sooner it receives competent, expert advice, the better it will be for all of us. Precedents should not be established now that will be hard to overcome if a problem develops along the lines I am suggesting.

During the past several months questions have been raised in Saskatchewan about air transportation services in the province. Because of Expo and because of the fact that this is Canada's one hundredth birthday, there is a great demand for air services and all other modes of transport. Because Saskatchewan is so far away from the site of Expo, in order to save time many people want to use air transport to reach it. People are now finding difficulty making reservations for plane transportation to and from eastern Canada, and I wonder whether the minister, in co-operation with Air Canada, Canadian Pacific Air Lines, and the private companies, have given enough consideration to this problem in Saskatchewan.

Just before the last session prorogued I had a question on the order paper dealing with the landing of jet aircraft at Regina, and I believe the minister's parliamentary secretary suggested that the facilities at Regina were capable of handling jet transport. But up to the present time I am not aware of any jet aircraft coming into Regina, unless I have not been briefed on the situation within the last week or two. It may be possible that jet aircraft can land there, and I suggest that Regina and Saskatoon should be serviced by DC-9 jet planes to give the people of central Canada comparable facilities with those provided to people elsewhere.

I could go on at some length to deal with other matters pertaining to transportation. However, this morning the hon. member for Saint John-Albert covered 17 or 18 pertinent points relating to the various facets of transportation problems. We all realize that transportation is the sinew of this great nation, and the more we can do to improve transportation facilities the better service we do our country. With these few remarks I would again urge the minister to do everything within his power to see that the new transport board is constituted and becomes active as soon as possible so that it can deal with some of the problems that are creeping up on us and which, if not dealt with, could create dangers and give rise to precedents that would cause a lot of concern later.

Mr. Mongrain: Mr. Chairman, I want to begin my remarks by trying to say a few words in English. All hon. members know that most of the time I speak French, my mother tongue, because I am somewhat more fluent in it, but I purposely begin in English today because I want to demonstrate that in my constituency, in my province, there is none of that narrow-minded jingoism that we have observed here during the last few weeks, demonstrated by the hon. member for York-Humber. If we have a few exceptions to the general rule, our people at least do not send them to the House of Commons; they keep them at home. We have an example of course, in the person of the hon. member for Lapointe, but he is serving here under false colours. He was elected by Le Ralliement Créditiste and his colleagues had the intelligence to throw him out of the party when he changed his colours.

Supply—Transport

• (2:50 p.m.)

(Translation)

Having said that, Mr. Chairman, I shall continue in my mother tongue, in which I will certainly be a little more fluent.

I must admit that the hon. Minister of Transport (Mr. Pickersgill) has a lot of very important problems to solve—problems of the ten provinces—so that is why we are obliged, in many cases, to bring up again those which seem important in our ridings. I shall make a brief digression to say that:

[*English*]

I will repeat it in English. I resented the remarks of the hon. member for Vancouver-Quadra this morning when he said that members from the maritimes and British Columbia were more interested in the problems of the Minister of Transport than other members. I should like to tell my hon. friend that those of us who live along the St. Lawrence river are also keenly interested. We are even very interested in what is going on in the maritimes and in British Columbia, because we believe in solidarity between the provinces.

Mr. Deachman: Mr. Chairman, I should like to apologize to the hon. member. I was using the word "maritime" in the broad sense. His constituency like mine is a maritime constituency.

Mr. Mongrain: I thank my hon. colleague. I believe he realizes mine is a friendly resentment.

[*Translation*]

Mr. Chairman, I should like to thank the hon. Minister of Transport for his attentive co-operation every time I rose in this house to ask for an emergency night service of the Canadian Pacific between Montreal and Quebec during Expo. I had the impression that the minister was one of the strong men in the cabinet but, to my great regret, he just found people stronger that he, in the person of the president and vice-president of the Canadian Pacific who seem to have an extraordinary power of resistance, since they resisted even to the pressure of the Minister of Transport.

Mr. Chairman, I should tell the minister that not later than today at noon I had another telephone conversation with the staff of the Canadian Transport Commission who advised me that they were maintaining the pressure and were hoping to bring around the authorities of the C.P.R. Consequently, for a few days we will need the support of the Minister of Transport. I hope we can count on his support and this afternoon, I urge him to give us as strong a support as possbile so that, this time, we may win our point.

To some extent the interest of the Montreal Expo is at stake since there are between Montreal and Quebec approximately one million interested people who cannot easily visit Expo because our roads, our bus service and our air transport facilities are totally inadequate.

Only the railroad can bring in our people in the morning and bring them back at night. I have a full file that I shall not read to the house because the C.P.R. could try to fight my request—which is supported by the legislature of my province and by a large number of municipalities—by producing statistics on the number of train passengers during the month of March.

For instance, train No. 152 carried 1,960 passengers from March 1 to 21 compared with 1,261 between March 22 and March 31. This is between Montreal and Quebec. Previously, train No. 149 had carried 1,638 passengers from March 1 to March 21 and 1,057 passengers from March 22 to March 31.

Those are figures gathered before the opening of Expo, and I contend that if we had the service we are requesting, those figures would increase considerably during the next six months. By the way, I know that the municipal councils of my region are ready to publicize this and the newspapers of my region are also ready to give free publicity to that penurious company called the C.P.R.

I also know that all the radio commentators in my area would be most happy to broadcast the idea that the C.P.R. has finally realized they should render some service to the people after the enormous amounts they have collected from the population at the time the company was founded.

Therefore, Mr. Chairman, I refuse to have the C.P.R. tell us that no cars are available, because I actually know that there are some unused cars in Montreal that could leave at night and return the next morning without disturbing anyone.

I deny the allegation of the C.P.R. that the service would be uneconomic, and I would like to be able to prove it. If there are no passengers—and I admit they are maybe too few—it is because of the poor service provided by the C.P.R.

If the C.P.R. treated its passengers as well as ordinary private enterprises that are subject to competition, the number of passengers would increase and the service would be economic.

I insist on this point, and ask the minister to give priority to this urgent problem, because Expo is already opened and hundreds of people tell me that they would like to leave for Montreal in the morning with their families and come back at night after having seen all the wonderful exhibits. The train is the only available means of transportation, because automobiles are impractical; besides, most people do not own an automobile.

I now come to a matter which may be of greater interest to the Minister of Transport, because I want to deal with the harbour of Trois-Rivières which the Maritimers consider as a competitor.

However, we are witnessing a strange phenomenon, Mr. Chairman. In recent years, we have been happy to see the St. Lawrence river open to winter navigation right up to Trois-Rivières. This was excellent for our economy. But this year we are sorry to see that the minister went beyond the call of duty in his efforts to open up the St. Lawrence, for winter navigation is now possible right up to Montreal and no longer stops at Trois-Rivières. The people in the maritimes now see the price that must be paid for progress; they have suffered from it just as we are suffering now. However, we believe that things will straighten out and that we will also in the end benefit reasonably from this winter traffic on the St. Lawrence river without, of course, taking away the livelihood of the maritime provinces.

• (3:00 p.m.)

I think that, on the contrary, it is appropriate to consider the advantages which that whole field offers and to try all together to promote shipping as well as foreign trade, so that the volume of traffic will increase to the benefit of all.

I would like to ask the minister if he could elaborate a master plan, that is to say a plan under which the development of the Trois-Rivières harbour and town planning would go hand in hand.

Mr. Chairman, we have a wonderful view on one of the most beautiful rivers in the world, the St. Lawrence river, but unfortunately the warehouses on the wharves are slowly becoming a China wall between the river and the city. It is certainly the most beautiful area of the city of Trois-Rivières and I am wondering if there is not some way to reconcile the two, for instance to elaborate a plan which would provide for the construction over the buildings, in co-operation with the municipality or the province, of walks so that the people of the Trois-Rivières area will be able to keep that beautiful view on the St. Lawrence.

I cannot see why this beautiful scenery should be destroyed by the inexorable development of trade in the country. There is certainly a way to elaborate a town planning program and the Board of Transport Commissionners could work with the responsible people in order to find a way to reconcile the two and to preserve all the picturesque value of that view.

I feel the whole population of the St. Maurice region and all the tourists would benefit from it. Some thought might also be given to the development of the harbour which has been slightly hampered by the construction of the bridge at Trois-Rivières. We shall not bring up again the differences of opinion with regard to its location.

I feel that would compel the government to plan, although it may already do so without being aware of it, the development around Trois-Rivières West and Cap-de-la-Madeleine in the next 25 years, because the regional economy due to the building of that bridge and several other developments back home, will certainly boom in the years ahead. Harbour facilities should not follow the boom; they should precede it to a certain extent, in order to increase it if possible.

I also remind the minister that during the war of 1914-18, Trois-Rivières had a dry dock. It was closed after the end of the war. To my mind, it might be a good idea to open it again; it could be done at little cost.

Some dredging might be necessary in the northeastern St. Maurice, near Cap-de-la-Madeleine where it used to be. I think that minor repairs to pleasure boats could keep quite a number of workers busy in that area during the winter.

Besides, I think that all we have in shipyards at present cannot meet the ever-increasing demand for ship repairs, and I submit to the minister that a study should be made by experts in his department with a view to promoting the industrial and economic development of the region I represent.

Perhaps it is not necessary to wait for that to start dredging that branch of the river —there is only one river back home, not three, but because there are two cities, there are three mouths—where the drydock was

formerly and which is now used as a refuge by yachts and vessels working on the St. Lawrence. Unfortunately, that is filled in each year and those people need dredging to get into that mouth of the river.

Mr. Chairman, I almost got carried away when I talked about the C.P.R. There is one other question which makes my blood pressure go up every time I think of it, because people in my riding write to me ten times a month about it. I refer to the matter of Baie-Jolie, which the minister heard about. A channel was dredged in lake St. Peter, which was necessary of course and all the earth that was taken out of the channel was dumped in front of a beautiful beach called Baie-Jolie. More than 40 or 50 years ago, the people of Trois-Rivières built summer cottages there, magnificent summer homes. Not only temporary cottages.

Some of those residences cost more than $60,000 and $70,000. A kind of Sahara desert was built in front of their beach and if even one could see golden sand there, it would be bearable, but it is more or less dried up mud.

The hon. minister was kind enough to answer several of my letters. I sent many to him and he answered me, for instance, as follows on October 17:

—I can well understand the disappointment of the land owners in seeing that the final result does not come up to their expectation—

I am quoting word for word.

—but it seems there are no steps the Department of Transport can take in the circumstances and at the present time in order to cope with the situation.

Well, Mr. Chairman, it is the Department of Transport that is to blame. I am sorry to say so but that is the case. And the Department of Transport is trespassing; it took it for granted that the beach was its property. But under the old French law, riparian owners own not only the beach but as far under the river as the breast of a white horse. That is written in the old French law.

Therefore, these riparian owners have been greatly wronged. I have here a list, Mr. Chairman, of the owners with their signature. I have the appraisal of their property which they have had prepared, and a professional appraiser certified that their property has been depreciated as much as 40 per cent.

I think that the minister has been misinformed by some senior officials who have thus made a serious blunder, and have done a great deal of damage to these wonderful properties. I see no other solution for the department than to make good that mistake, and so much the worse for those who committed it.

Suggestions have been made such as, for instance, to dig a channel between the old beach and this sort of mud desert created in front of their properties. But I say that this is not reasonable. To begin with, the channel will fill every year; the department will have to maintain it in good condition.

Suggestion was also made to fill up that sort of channel which is there at high tide; but here again, that will create more or less a swamp.

To my mind, there is only one solution, and that is to spread this earth on all the neighbouring beaches, try to bring in some sand so that it will not look like mud and repair the damage to these owners who did not ask for this. They were not consulted before this refuse was dumped opposite the properties which they have kept beautiful for the past 20, 25, 30 and 40 years and in which they themselves invested a lot of money.

I find the situation most regrettable. If the hon. minister could, one morning, for example, manage to fly over this area with me—it would take half an hour to get there by government plane, half an hour to examine the site and another half hour to come back —I am convinced he would come back to Ottawa shocked at what he had seen, how intelligent engineers can spoil a site so badly.

I insist on this point, Mr. Chairman, because in my region this has become a notorious scandal which manifests itself in many ways; I shall give the minister one last example.

I have just sent a questionnaire to the people in my region, asking them whether they would rather see me affiliate with the Liberal party than remain an independent. I will show the minister the results.

However, in spite of the results of the past few years, I maintain that my home town is Liberal minded. But it is a Liberal town where the Liberals are disappointed about many things. Even if it were just to correct some blunders made in the past, I think that we should give some consideration to the needs of those people, try to make them feel that at least the Liberals, 1967 model are an improvement over some former types who did not seem to care much about the needs of our people.

I, for one, would put the hon. minister in that improved category of members of the Liberal party.

Obviously, that is not the essential point of my argument. However, it still represents the frame of mind of our people at the present time because, once more, several mistakes have been made and that is one of them.

Mr. Chairman, I now conclude my remarks so as not to take advantage of the patience of the minister even if he is a model of patience. In fact, he proved it to us on several occasions, in particular during consideration of his bill on the Board of Transport Commissioners. I would not want to go as far as awarding him a martyr's crown, but I ask him once again to take ultimate, vigorous and unprecedented steps to help us solve the problem of the night train between Montreal and Quebec City, as well as the deplorable situation known as the problem of Baie-Jolie.

As to the development plans for the harbour of Trois-Rivières, which, incidentally, is the most paying harbour in Canada—whether my friends of all the other provinces like it or not, proportionately speaking, of course, it is the most paying harbour for the National Harbours Board—I need not say any more. The minister will realize that the entire economy of the very core of Quebec is at stake. I hope that, before long, comprehensive development plans will be drawn up for the next 25 years, while taking into account town planning which should not be overlooked in our area.

[*English*]

Mr. Macquarrie: Mr. Chairman, I should like to begin by congratulating the minister on his honorary degrees. I am most impressed that he should receive three doctorates in such a short time. I do not want to allow any envy to show through my delight, but as another member who left the ivy halls for the rocky road of politics and thereby gave up the opportunity to earn degrees I must admit I did have a touch of envy. I have often thought that perhaps for one like myself a grand slam would be an appointment to the Senate and a little slam would be an honorary degree. The minister is likely to attain both of these and I, alas, may not attain either. Perhaps he will remember me as he becomes an alumnus of more and more universities.

• (3:10 p.m.)

As others have said before, and this is indeed a truism, transportation is always an important part of the discussions in this house. Indeed transportation has always been important in Canada. I do not know whether one could go as far as Sir Francis Hincks did and say that railways are politics. But there would have been no Canada and no confederation if at the very beginning governments had not become involved in the transportation business in a very big way. This applies to left wing parties, right wing parties and middle of the road parties, if there are any such around. It is not just to British Columbia that transportation has meant a great deal. Undertakings were given, as a part of the confederating process, to other members of what is now the dominion. Some of those undertakings have not been honoured, and in other cases services were provided at an inadequate and unsatisfactory level.

One thing that has always troubled me as a maritimer is why Canadian National Railways is not, in terms of passenger service, truly transcontinental, why a passenger cannot get on a train at Halifax, get a berth or bedroom or whatever he can or cannot afford and go across the country.

Mr. Pickersgill: Mr. Chairman, did the hon. gentleman say "Halifax"?

Mr. Macquarrie: Yes, I said "Halifax".

Mr. Pickersgill: Halifax is well into the middle of the country, as I am sure the hon. gentleman realizes.

Mr. Macquarrie: I said that I was speaking as a maritimer, and the minister should know that the people of his adopted province do not like the expression "maritimes"; they prefer "Atlantic Canada". But the point is well taken, except that the gauge of the railway might destroy my case. I still contend that a Haligonian should be able to take a bedroom and get to Vancouver on the train. The C.N.R. service in effect starts in Montreal, and you carry on from there. The maritime folk are forced out of their train at Montreal. Montreal is a lovely, grand city, but it is not necessary, surely, to spend six or seven hours there, in the daytime at that, if you are going on to the Pacific coast.

That is one of the gripes I have always entertained and talked about to ministers of transport in our party and others, but as has happened so often with my good ideas, nothing has been done about it. Quite often too—heaven knows, anybody from the maritime provinces knows this—the service has been intolerably slow. People do not always introduce railway timetables as evidence into the debates of the House of Commons, but as I look at the comparison between the trip

from Ottawa to Montreal and the trip between Moncton and Charlottetown, the first thing I notice is that in the first place the distance is 115.7 miles and in the second it is 126.8 miles. You can get from Ottawa to Montreal in two hours and these are not crack trains in the modern system of rail travel. The other trip, when the going is good takes six hours for just 11 more miles.

There are other examples of neglect. The new railway station at Moncton is much, much too small. I would love to have the minister with me during peak periods of the season when about three times too many people are trying to cram into that small, new station. The same thing can be said about the airport terminal. Some time when the minister has a little time on his hands in Moncton he might count the available chairs for passengers in the airport waiting room.

There is another matter I should like to mention at this time. I am distressed at the lack of involvement on the federal side of the picture in the corridor road project. This has been talked about for a long, long time. While we in the maritimes are an old people and proud of our history, there is no reason why the corridor road project should pass into our folklore and go down from generation to generation until the dominion government begins to consider it an important project. Studies across the border by the American Congress and states in the region consider it an extremely important project which would greatly cut down the distance between places in the maritimes and central Canada.

To Prince Edward Island transportation is the first question, as it was the first question in 1873 and 1867. We must get our choice products of land and sea to the markets as quickly as possible. We must get the growing stream of tourists to our province just as comfortably and as quickly as possible. Our economy depends upon good transportation, perhaps more than any other province in the dominion.

I might make a few comments to the minister, Mr. Chairman. I do not think I will have 17 points, as did my distinguished colleague from Saint John-Albert. However, one point is in reference to the new ferry that is being built. We have already been advised that the ferry is behind schedule. I hope the minister will keep a watchful eye on that construction project and see that the delay is minimized as much as possible. We need that new ferry. Whether or not the causeway is being delayed, as many disturbing rumours suggest, we still need that fine, new ferry just as fast as possible.

I also think that the C.N.R. and the Department of Transport should make greater use of the existing ferry service on the Borden-Tormentine run. We now feel that with the large number of people coming to our province, and with the well developed tourist facilities which have been established in recent years, a 24-hour service across the strait in the summer would be feasible and certainly advisable. I commend this to the minister.

Some things do happen which are deserving of commendation and even to the C.N.R. I should like to extend a word of congratulation. The improvement last year in setting up a bus service from Amherst to Prince Edward Island connecting with the "Scotian" and the "Ocean Limited" is one of the finest things they have done in many years, and I commend them for it. It is very awkward and time-wasting to go on the train, but now tourists can move across much more rapidly. I commend the railway for this facility.

The minister is constantly asked by members of the house what he is going to do about this and that report, and when is he going to make this and that announcement. The minister made an announcement that I would advise him to forget all about, that the rates be increased on the Prince Edward Island ferry. There is no point in sending the maritime commission down there. I do not think there is anyone in Prince Edward Island who would suggest it would be a good thing to increase these rates. Indeed, a good many people will suggest that it is incumbent upon the federal government to make sure they are not increased. If the chairman of the commission should go down there, let it be for a vacation on either the north shore or south shore of Queens county. This matter should be forgotten and can be taken off the minister's desk altogether.

The Department of Transport can assist in augmenting and extending the other ferry service in Prince Edward Island now operated by Northumberland Ferries Limited, a private organization which has good ships and good service. If the Department of Transport would move in the direction of improving navigational aids, lights and what have you, I think night service could be provided on that run. I also think that some of the suggestions that are coming forward for short-run, summer ferry services should be more carefully looked into—the one between Port Hood,

Cape Breton, and Souris, Prince Edward Island, and the one between West Point and Pointe du Chêne, New Brunswick. I should like to see a feasibility study launched in respect of both these ferries because it is logical that we who live by the sea should use the sea wherever possible for transporting our people and our goods.

We are always hearing of late the expression "icebreaking".

• (3:20 p.m.)

Here I am going to depart again from my friend, the hon. member for Saint John-Albert, with whom I agree on most things, even on mini-skirts, although not so vehemently because I am a little older, not nearly as much older as I look but just a little. I am wondering whether in the light of the new icebreaking techniques some investigation should perhaps not be made in the maritimes. Last night I saw an interesting film on what struck me as extremely interesting and revolutionary techniques of icebreaking. I am not an expert in this field but I know about the suffering of our people in icebound ports. Perhaps the department should apply some of these new techniques to maritime ports.

Finally in this connection, in the technical field, in which I tread very gingerly, it strikes me that the maritimes is an area where the use of hovercraft would be ideal.

Mr. Pickersgill: I wonder whether the hon. gentleman knows that if I can get through my estimates, and perhaps even if I cannot, I am going to the hovercraft plant on June 2, next week, precisely to look into this whole question.

Mr. Macquarrie: I would say this is worth another honorary degree. I am delighted to hear it, and we will be glad to hear the minister report on his return.

There is just one more matter to which I would like to make reference. Later I hope to be able to say a word about the Atlantic Development Board. This is one of the most important organizations in so far as the future of the Atlantic region is concerned. We are tremendously interested in it. It has an outstanding man at its head, namely, Dr. Weeks. He is a man of great ability. He is also a Prince Edward Islander, which does not hurt him. The board has done splendid work. I am disturbed to hear it suffers from some staff shortage. I do not think this is desirable because certainly it has no shortage of problems, no shortage of challenges and there is no shortage of opportunities for service by the board and by the dominion government.

One that comes to my mind very easily is the need for a most careful look into the agricultural industry. In our area we often import some of the products which we are capable of producing to the very highest standard of excellence. For example, this year as in previous years our choice and most important cash crop, potatoes, is grown in abundance. Markets for this commodity are insufficient and we are faced with a dispersal or disposal program. In a country like Canada and at a time like this, especially when we speak at Expo about "man and his world," it is absolutely appalling that any good product of Canada's soil should ever be wasted. Indeed, to use an old Presbyterian expression, it is a sinful exercise and it should never happen in this advanced technological age.

I hope the Atlantic Development Board will give leadership in looking to the possibility of having more processing facilities in the region because if potatoes could be processed in greater quantity we at least could, if nothing else, make use of that commodity in some of our programs of aid to some of the hungry people of the world. This is just one suggestion which is very close to my heart at this time because I know the problems of the potato growers. Later I hope we will have a discussion on the Atlantic Development Board which is so important to us. I tender these suggestions to the minister with my usual good will and my usual realistic appraisal as to how effective my advice will be.

Mr. Winch: May I ask the hon. member a question? In view of the fact that we in the west would like to support the east in legitimate grievances, and we hope the east will support the west in our grievances, may I ask the hon. member whether he could be more explicit in explaining to us from the west why in his remarks now he pressed for the completion of the causeway and at the same time asked for the completion of the additional ferry service? Would he mind explaining to us what appears to me at the moment to be a paradox in asking for both?

Mr. Macquarrie: I may point out that at the very best a good number of years will elapse before the causeway is completed, and with the age of the present boats in the ferry service and the rapidly increasing rate of tourist travel there is a rational projection which requires a new boat. Indeed it is already under way, but the government has wisely

made provision that when the ferry is completed it may be used in another area of Canada. So it will not be an uneconomic project at all. Otherwise, had it been unreasonable I would never have suggested it.

Mr. Pickersgill: I wonder whether I could second what the hon. member for Queens has said so well. For once he has answered a question in exactly the same way as I would have answered it.

Mr. Winch: May I then ask the hon. member or the Minister of Transport when the completion of the causeway is expected?

Mr. Pickersgill: The government has never at any time been so imprudent as to suggest a precise date for the completion. We have always undertaken to push the project forward as rapidly as possible. My colleague, the Minister of Public Works, has the direct responsibility in this matter, but it is a transport matter in which I have taken a great interest. All hon. members know that this is going to be one of the biggest and most difficult engineering operations ever undertaken in Canada, and I do not think any wise man would venture to set deadlines. We realize this is going to transform Prince Edward Island and we want to get it done as fast as we can, but we want to make sure it is done properly.

Mr. Winch: Will it be in this decade or this century?

[*Translation*]

Mr. Dubé: Mr. Chairman, I want to take advantage of this study of the estimates for the Department of Transport to bring forward a matter which is of great interest to our region, the northern part of New Brunswick; there is an urgent need for suitable air service to link the north of New Brunswick to the main centres of the country.

I should like to open my remarks by referring to an editorial which was just published in the Campbellton *Tribune*, a weekly paper, on Wednesday, May 24, that is to say the day before yesterday.

[*English*]

The Charlo Airport

It is reported in news items last week that Quebec Air, along with other air lines plan to study the inclusion of the Bathurst airport as a regular stop on their routes linking the maritimes with Quebec and Upper Canada. Why is the Charlo airport not included as well?

Although opened several years ago, the development of Charlo as an important link in air line routes has not materialized. What we believed was to become a major transportation terminal is still what it was: a minor stop on a minor route and with little prospect of any improvement.

We suggest that the various municipal councils of Restigouche join forces before it is too late and urge the Transport Board to make good on their promises of a few years ago and afford to Charlo the same opportunities for growing as to other new airports.

• (3:30 p.m.)

[*Translation*]

Mr. Chairman, the Charlo airport officially started operating in 1963 and, ever since that date, it has been quite busy servicing mostly the planes of American tourists who came to visit our region, as well as those of Eastern Provincial Airways.

This company carries passengers between Moncton and Sept-Îles, two and three times a week. Although this service is most useful, it does not meet the requirements of this area. What we need above all is a daily service towards the western part of the country, linking the whole northern part of New Brunswick, including Charlo, Bathurst and Edmundston, with Montreal.

Only recently, Québecair asked for permission to include Edmundston, Bathurst and Gaspé in its daily route, using Montreal as a point of departure.

In this application the company asks for a class I commercial air transport licence. It provides enough seats for 28 passengers in Douglas DC-3 planes. This company was incorporated in January 1953 and it has proved reliable ever since.

It holds a very enviable record, although the route is quite rough in the northern part of the province of Quebec, and it deserves our full confidence. After many months of waiting, its application will finally be heard in Bathurst on June 19.

The whole population should be pleased with the good news. However, something spoils the picture; Québecair did not include the Charlo Airport in the proposed route. On several occasions during the past year, the public bodies concerned in that district, including the representatives of the city of Campbellton, the town of Dalhousie, the municipality of the Restigouche riding, the Chambers of Commerce of Dalhousie and Campbellton and myself, as the federal member, have met with the directors of Québecair.

We have set forth our arguments in favour of a stop in Charlo. Those arguments are numerous and I believe impressive. The Charlo airport is located right in the centre of a peopled area: Campbellton, Dalhousie and Belledune. That airport is the most central for

the large mills of Atholville and Dalhousie as well as for the new chemical and steel complex of Belledune and the three seaports of Campbellton, Dalhousie and Belledune.

During the last few years, new industries have settled in the immediate area. The province of New Brunswick is now building a large thermal power plant only a few thousand feet away from the airport.

Moreover, this airport just about at the gateway to the Gaspé peninsula and it would become the natural air terminal for the whole region.

On the initiative of the Chamber of Commerce of Dalhousie, a comprehensive brief comprising figures, statistics and facts has been presented to Québecair. Following all those representations, the Québecair management suggested to us that if its application for serving Gaspé, Bathurst and Edmundston were accepted, it would then present another application to include Charlo.

If this agreement gets due confirmation at the Bathurst sitting, all those interested will have reasons to rejoice. The whole population is happy about the company's proposal to serve Gaspé, Bathurst and Edmundston, as these communities are all in need of aerial service if they are to attain full economic development.

But I want to make sure now, in this house, and while the hon. Minister of Transport (Mr. Pickersgill) is here, that the Board of Transport Commissioners will see to it that our population shall be fully and adequately served, or in other words that the permit calls for serving the whole population and not only part of it.

Both the minister and the board should not forget that, out of the four mentioned sites, Charlo airport was the first built. In fact, it is the only one fully operative at present. Huge amounts of money were spent, by both the municipality of Restigouche county and the federal government to build that airport. The federal government paid 50 per cent of the building costs and 100 per cent of the paving and other improvements.

We have always had the wholehearted cooperation of the Minister of Transport at every stage of the construction and development of the airport. Now that we are near the ultimate goal, that is daily airline service for the population of that area, we must not allow all those efforts to come to naught, all those public funds to have been spent uselessly.

In closing, I should like to ask the Minister of Transport to grant us once more his efficient assistance, the prestige of his person and post, so that the people served by the Charlo airport might obtain the daily airline service they expect and are entitled to in 1967.

[*English*]

Mr. Bower: Mr. Chairman, I welcome the opportunity to speak on vote no. 1 of the Department of Transport estimates. The points I propose raising are varied and therefore can presumably be discussed only under the generalities of vote 1.

I wish to begin what I have to say by voicing a conclusion I have reached which I think is now generally shared throughout the maritime provinces, namely, that the harnessing of the Fundy power potential is of the essence if we are to solve the economic troubles of the maritime provinces. The Fundy power potential—

Mr. Pickersgill: Would the hon. gentleman permit me in a friendly way to raise a point of order? It seems to me that the Fundy power project is not related to the Department of Transport though it is related to the Atlantic Development Board. Perhaps in order to permit a more orderly discussion of the estimates the hon. member would be willing to reserve his comments on that aspect until we reach the item relating to the Atlantic Development Board.

Mr. Bower: Mr. Chairman, I think I can relate my introductory remarks on Fundy power to what I shall have to say later about certain matters which I wish specifically to draw to the attention of the committee. The harnessing of Fundy power is a long term development and I propose to deal with it in more detail later when we come to the particular estimate which concerns the Atlantic Development Board. I wish to point out now that our approach to these matters must be made on both a long term and a short term basis, and I want to place the final solution in focus. The paramount need today is the improvement of water transportation for tourists, and it is fundamentally important to keep in mind in the background the development of Fundy power in the not too distant future.

The two major industries in Nova Scotia generally and in western Nova Scotia where my constituency lies are fishing and tourism. At the present time the ferry service between

the United States and Yarmouth is inadequate during the peak months when we depend on the maximum flow of tourists. Early last year I brought to the attention of the minister the need for an additional ferry for Nova Scotia. I persisted in my request but was told that no supplementary vote would be forthcoming. I am now taking this opportunity to ask the minister to assure the people of Nova Scotia, particularly those in western Nova Scotia who have missed the increased tourist potential for this summer, that they will at least have this additional facility by 1968. It is true that a second ferry from New England has been mooted, but this is not the kind of service to which I am referring. The way things are going at the moment, it looks as if this New England ferry will not be functioning for another three or four years.

• (3:40 p.m.)

Our tourist business and the demand for travel facilities to Yarmouth from New England are increasing. The ferry was overloaded last summer, it will be overloaded again this summer, and of course it will be even more overloaded next summer. Although my request in February of last year did not give the minister sufficient time to bring forward a supplementary vote to provide a new ferry for the summer of 1967, I implore him to take full advantage of the notice I am now giving him one year in advance to secure a supplementary service for the year 1968.

Digby is in bad need of a ferry to Saint John adequate to meet traffic demands on that route. I find some amounts in the estimates for wharf improvement at Digby which will be necessary if we are to have adequate ferry facilities from that port to Saint John, New Brunswick. However, I see no evidence that any money is being spent during the current fiscal year to provide a new ferry boat. This route is the other outlet from western Nova Scotia and gives direct access to rail lines to central Canada.

The next matter I wish to raise concerns deficiencies at Yarmouth international airport. It is the port of entry for visitors to Nova Scotia and the maritime provinces. They have to clear customs and immigration at the airport. The airport has grown something like Topsy. It was a wartime installation, and I recognize that today it does represent a large investment. About two years ago some welcome and fine improvements were made to one of the two runways. Some time ago I asked that the other runway be equally improved but I was told no, that this would be done in the seventies when we get service by DC-9's.

It seems to me, that this is putting the cart before the horse. Let me give an example. Three hundred years ago Jamaica had all of the charms for the tourist that it has today but only a few people during the last 50 to 60 years were able to visit Jamaica. However, when travel facilities improved and hotels were built to make a person's stay comfortable, Jamaica experienced the rush in tourism that is now the lifeblood of the economy of that island. The minister tells me that these facilities will not be provided until the volume of tourists requires them. If tourists are unable to visit the maritimes with the present facilities that are available, then it seems to me that we have a vicious circle.

I see no provision in the estimates to bring Yarmouth airport into first class condition or that first class air service will be provided from places like New York, Boston and Philadelphia. There is a great tourist potential from these areas to the maritimes, and we want proper transportation facilities to bring these tourists to the maritimes because in the short term they are essential to the economy there. Our two main industries are tourism and fisheries and we want them to go from strength to strength. In western Nova Scotia, the gateway to the maritimes, we want adequate facilities to enable the tourist trade to grow. Lack of these facilities has stunted potential growth.

As I mentioned, the airport at Yarmouth was a happening. In addition to having inadequate runways, it is badly located from the point of view of prevailing weather conditions, being situated at the mouth of the bay of Fundy which is prone to heavy fog. On nine occasions out of the last 15 when I tried to travel from Ottawa to Yarmouth I failed to arrive at Yarmouth because of weather conditions. I am not, of course, asking the minister to control weather conditions, but I am providing for him a perfect solution to the problem, the building of an emergency airport about 15 to 20 miles inland. On occasion there is a solid curtain of fog along the coast of Nova Scotia but 15 or 20 miles inland weather conditions are much better. While no one can guarantee a completely fog-free airport in Nova Scotia, there is a much better chance inland of successfully landing an aircraft.

Yarmouth airport, as I mentioned, not only serves as a port of entry to the province but also serves the western counties of Queens,

Shelburne, Yarmouth, Digby and Annapolis which have a population of 100,000 people. So Yarmouth airport is not a country airport by any means. To neglect it is to neglect Nova Scotia.

Now that I have given the minister one year's notice I am sure he will be able to provide an additional ferry service. I also trust he will see to it that an emergency airport is built, not up in the Annapolis valley which is going to the extreme and would be somewhat isolated but in and around the area where Digby, Annapolis and Shelburne counties form an apex. There is an area there which would be ideal both topographically and weather-wise for the building of such an airport. It is an area which can be reached with relative ease on occasions of emergency by customs and immigration officials. I am not asking for an elaborate airport but for something that can handle, with Yarmouth airport, airborne traffic to and from the United States and the maritimes.

• (3:50 p.m.)

I mentioned the Atlantic Development Board deliberately in my opening remarks because it has a role to play in the matter of adequate airports. Let me put it this way. The trans-Canada highway is not much good to those of us who live in the western end of Nova Scotia. We need a highway spur to reach us, the main highway being 200 miles away. With an adequate ferry service from Digby to Saint John we would have easy access to the trans-Canada highway system, and the Atlantic Development Board should consider including the western end of Nova Scotia in that system. We would then be able to travel to the emergency airport I have mentioned. We would also have a road across the province for our fish producers to use. Fish could be taken to Digby, thence to Saint John, and put on a train to central Canada. All this would involve a package deal which would be eminently economical as it would take care of a number of matters without too great an investment. I hope the minister can assure the people of western Nova Scotia that some of the suggestions I have made will be adopted.

With reference again to the Atlantic Development Board, I note that $1.5 million has been devoted to a study which is being conducted by the board. I should like to know how that study is coming along and whether the board has sufficient funds. Will the minister assure us, should that study require experimental and empirical approaches, that study groups and the necessary funds will be provided and that the study will not drop out of sight for the next four or five years?

Each year that the Fundy installations are not begun means millions of dollars in additional, inflationary expenditure. The installations must ultimately be built if we are to reverse the trend of swimming upstream and tying our trade to central Canada. We must get back to where we were when we were prosperous 100 years ago and we must trade with Asia, Africa and the United States.

Mr. Pickersgill: Would the hon. gentleman permit me to say that when the estimates of the Minister of Energy, Mines and Resources are before the committee this question might be brought up and gone into in more detail? A joint board of the Government of Canada and the governments of Nova Scotia and New Brunswick has been established to study this problem and the ministerial responsibility for this is that of the Minister of Energy, Mines and Resources.

Mr. Fawcett: Mr. Chairman, in speaking today I shall deal with a specific subject, and if I sound a little parochial it is because what is happening in my area is all too typical of what is happening right across the Canadian National Railways system. I wish to deal specifically with the removal of agencies on the Canadian National system and in particular the removal of the agency at Coniston, all brought about because the Canadian National in implementing its master agency development plan is centralizing its agency system.

Though Coniston is a small town of approximately 3,000 people it is closely linked to a portion of suburban Sudbury and serves a large farming community to the northeast. Some who live 25 to 30 miles from Sudbury protested the closing of the Coniston agency as they conducted much business through it.

On October 11, 1966, Canadian National Railways applied to remove the agency at Coniston. Prior to that, on March 23, 1966, Mr. H. J. G. Pye, commission counsel, wrote this letter which was referred to my office by Mr. C. W. Rump, Secretary of the Board of Transport Commissioners. It has to do with the closing of the agency at Coniston, Ontario. You will note, Mr. Chairman, that this was some months before the formal application to close this station. The letter reads in part as follows:

> As part of the master agency development on the northern Ontario area, on October 18, 1965, all services formerly provided from our Coniston

agency were transferred to our Sudbury office. The agent at Coniston has been retained with train order duties only, and will be retained until an application is made to the board for formal closing of the station along with a number of other points on the northern Ontario area.

Actually this means that the station at Coniston was technically closed some months prior to the application for closing, which is typical, as I have learned, of what is occurring all across the system.

In 1963 the Canadian National eliminated practically all its services at Coniston. There was no passenger service in or out of the area and the railway did not permit the second passenger train it had put into service to stop at Coniston. The only service provided was by a mixed train which made one trip each way per week and handled all the passenger, express and freight services.

On October 18, 1965, all services were transferred to Sudbury, and to show the sort of thing that has happened I shall read from another letter, written by a man whose name I shall not give but who lives at Wahnapitae and operates a chicken farm not far from Coniston. This man told me that he had protested the removal of the Coniston agency strongly because large shipments of chickens passed through it. In his letter he says:

In Nov. I wrote you on the C.N.R. set-up at Coniston. Which is no service at all now. I mentioned I would have to run to Sudbury for my chicken order. The ultimate has happened! The Chick Co., Hawkins, of Tillsonburg, after experiencing their own woes with express, delivered the chickens by their own truck to my farm direct, something like 500 mi., one way, for them. This sort of thing multiplied many times over, and there won't be need for express service at all!

• (4:00 p.m.)

This is what happens to C.N.R. business when they experiment with this type of centralizing of agencies.

A considerable number of protests were made by the people of Coniston against the closing of the agency, with the result that they were granted a hearing on February 22 last. The hearing was to commence at two o'clock on February 22, but at ten o'clock in the morning there was a knock at the door of the residential part of the station, and when the agent went to the door he was asked if he had moved all his belongings out of the station. When he inquired why, he was told that men had arrived that morning with instructions to start demolishing the station—on the very day the hearing was to be held to decide whether or not the agency at Coniston was to be closed.

[Mr. Fawcett.]

It is typical of the C.N.R. that when they start on a project of this nature they go at it from all angles. They eliminate services. They started out in this case by phasing out the handling of express and freight at Coniston station. They let the station get into such a deplorable state that nobody wanted to patronize the place at all. However, in spite of the fact that they made every attempt to phase out the business at Coniston there is one very interesting fact I would like to put on record, namely, that in September, 1965, when actually all business was phased out at Coniston station, the revenue of that station for that month was $26,072.63. In the same month of the previous year the revenue was only $15,-117.85. Further, in spite of the fact that the railway discontinued all business at the agency in September, 1965, total revenue for that year at the station was $238,197.15 compared with $198,716.45 for the previous year.

When revenues were decidedly on the increase, in spite of the fact that the C.N.R. let the station get into a deplorable condition and actually discouraged patronage by cutting off passenger service, express service and the like, it is pretty hard to explain to the people of Coniston why the C.N.R. saw fit to remove the station. I think this is typical of what is going on all across the Canadian National system. I have had many letters and complaints from people involved in this sort of thing. It seems to me the backroom boys in the C.N.R. are more interested in setting up a tight little system within their own organization which works to their advantage than they are in anything else. They do not give a hoot about service to the public. Yet what are the railways for but to provide transportation services and facilities to the public?

One cannot overlook the employees in this situation. The agent at Coniston is an example. He is practically out of a job. He has a daughter who needs constant medical care. The only other job he can take is 600 miles away from availability of that type of care, and so he is left high and dry.

In addition to cancelling the agency at Coniston the C.N.R. also made application for cancellation of the agency at Burwash on the same subdivision. Further, they have eliminated the agent at Capreol. All express and freight are to be shipped to Sudbury, sorted there and then returned to Capreol. The service we will get in my little town of Capreol is a big question. The C.N.R. has not lived up to its commitment to continue to provide service at Coniston, and so we cannot expect too much in Capreol.

There is another thing which disturbs me. Someone in the C.N.R. is on record as saying they are interested in getting out of a good part of their transcontinental passenger train service. I think it is a little premature for the C.N.R. to be talking in these terms. There is a need for a good transcontinental service, and if they continue to advertise what they have to offer the people will continue to patronize them. I am also concerned about the fact that it is fairly obvious that the extra train which the C.P.R. has put on—I think they call it the Expo Special—will be taken off at a certain designated time and there will be no opportunity to protest its removal because of the fact that it has been put in service only on a temporary basis. I am well aware of the fact that passenger business is something which the railways have to work hard to attract, but I am firmly convinced that if they do and if they provide better services they will have nothing to worry about so far as passenger service is concerned.

When I began I said I intended to deal with one particular subject. I would request that the minister look into the serious problem of elimination of agencies. Another problem has to do with the abandonment of railway lines, but I think the abandonment of agencies is equally as serious and the new transport board should examine what is taking place.

I must also say that when one looks through the correspondence I have on the Coniston agency it is not hard to understand why people in Coniston say that there must be some collusion between the board and the C.N.R. because it looks as though the die were cast long before the hearing was held at Coniston. When one looks at the recommendations of the board following its visit to Coniston, one wonders just what on earth it was driving at.

The board has gone along with the application of the C.N.R., but has included a recommendation to grant what it calls some measure of relief. It has recommended that a resident caretaker be appointed who will be in attendance at the station, to "execute all duties with respect to the handling of express traffic." How is there going to be any express traffic when the station goes? Further, it has recommended that the caretaker "keep the station clean, heated and lighted when necessary for the accommodation of traffic." What traffic? This is a real joke. How can there be any traffic when no trains stop there? The place is also in such a filthy state that I do not know how anyone could clean it up.

The board also recommends that the caretaker "take care of L.C.L. freight shipments." How can there be any such shipments when they are being sent under the authority of the C.N.R. to Sudbury? I hope the minister will look into this matter. I am sure that if the C.N.R. and the C.P.R. made a little effort to clean up their stations and provide the necessary services their revenues would increase. If this were done at Coniston there would be need for an agent there for a long time to come.

• (4:10 p.m.)

Mr. Cowan: Mr. Chairman, a year ago, in February 1966, I spoke on the supply resolutions of the Department of Transport. At that time I devoted some considerable time going into detail regarding the water level of lake Ontario, because this has been a problem to the people living in the lake Ontario basin for some years past. A year ago, in commenting on the situation, I congratulated the Secretary of State for External Affairs for what had been accomplished by February 1966, namely, that the water level of lake Ontario had risen 2.7 feet in one year following unlimited protests by the people on both sides of lake Ontario, in the United States and Canada, about the fact that the water levels were not being maintained under the authority of the International Boundary Waters Treaty Act and under the direction of the International Joint Commission. The protests on this point were based on the fact that there were in February 1966, have been for some years and are now, two dams across the St. Lawrence river, one at Iroquois and one at Cornwall. Both of these dams can control the water level of lake Ontario if they are closed and if attention is paid to the water level of lake Ontario.

The burden of our protest last year was that the dam at Iroquois never is closed and the power interests are allowed to draw off all the water they want at Cornwall despite the effect it may have on the water level of lake Ontario. Today, when we are considering the estimates of the Department of Transport we have every reason to congratulate the Minister of Transport for the fine level of lake Ontario today. We wish also to commend the Secretary of State for External Affairs because we know he has taken an active part in seeing that the International Joint Commission paid more attention to the International Boundary Waters Act than they had paid to it for several years previously.

During the 94 years from 1861, when the records were first kept, until 1955 when the first work was done on the St. Lawrence Seaway, the average level of lake Ontario was 244.78 feet. This was the average level of lake Ontario when the water was flowing freely down the St. Lawrence river impeded only by the Long Sault rapids and the islands between Kingston and Montreal.

When protesting about the level of lake Ontario last year and the year before that, when there were two dams across the St. Lawrence river, I pointed out in no uncertain terms that in 1965 the water level of lake Ontario was so low in Toronto harbour, according to the report of the harbour commission, that it was within one quarter inch of the all time low ever recorded in Toronto harbour since records have been maintained. As of today, May 26, 1967, the water level in Toronto harbour is 245.8 feet. I should like to state that all the people who are interested in shipping in Lake Ontario and the Toronto harbour area are very pleased with this water level of 245.8 feet. It compares favourably with the 94 year average—the period which ended in 1955—of 244.78 feet. So, today we have one more foot of water than the average level for the 94 year period.

In rising to comment on this situation, I do so because May is the second highest month in the year in respect of water levels in lake Ontario, June being the top month for high water levels. I should like to ask that the Minister of Transport be certain to see these dams are kept in a control position at Iroquois and Cornwall so that the water level of lake Ontario will not be allowed to sink below the 94 year average of 244.78 feet. We are one foot above that average today. I was told by the officials at the Department of Transport this morning on my way to the buildings that the mean level of lake Ontario for 1966 was 244.55 feet, according to the international great lakes data. The 1966 level of 244.55 feet is below the 94 year average of 244.78 feet.

Now, in the month of May, we have a water level in lake Ontario of 245.8 feet and have two dams on the St. Lawrence river which should play an important part in maintaining the water level at a figure equal to or above the 94 year average. The people in the basin will not be satisfied to see the level of lake Ontario drop below the average level for the 94 year period. Even if the power interests scream that they must have the water through the dams, they must be told by the International Joint Commission, on which the United States and Canadian governments are represented, that they will have to restrict the use of power rather than drop the water level of lake Ontario below the 94 year average of 244.78 feet.

One of the most interesting sections in the International Boundary Waters Treaty is article 8. I have read this in the house before and I want to read it again because I appeared before the external affairs committee on the days when Mr. A. D. P. Heeney, the then chairman of the International Joint Commission appeared. I asked him a number of questions at that time concerning the enforcement of the International Boundary Waters Act. Hon. members might be interested to look at this evidence. I mentioned to him that the first use for water as set out in the international agreement between Canada and the United States is for domestic and sanitary purposes and, second, if there is sufficient water, for navigation, including the service of canals for the purposes of navigation. Then, the third use is for power and irrigation purposes.

It is interesting, in respect of this third point, the use of water for power, to note that we have the hydro people of Ontario and a prominent member of the Ontario legislature running around the country saying that the use of water for power has a high position in the international boundary waters agreement between the United States and Canada. They say it has a high position, being in third position. They do not point out that there are only three positions in the agreement and that the use of water for power is the third and last. They emphasize that it has a high position. Mr. Heeney, in my presence, said that the use of water must be divided equitably. Mr. Heeney was only chairman of the International Joint Commission. I understand that since then he has retired by reason of reaching age 65.

I should like to point out that there is nothing in the agreement between Canada and the United States which mentions equitable division of use of water. There is a table which sets out the priority for the use of water and the first use is for domestic and sanitary purposes. The second use is for navigation, including the service of canals for the purposes of navigation, and the third is for power and for irrigation purposes.

• (4:20 p.m.)

I should like to emphasize to the Minister of Transport that now, after waiting two

years, the people in the Lake Ontario basin have finally achieved a water level of 245.8 feet as of today. He should see that it is maintained above this 94 year average of 244.78 feet in order to live up to the terms of the international boundaries water agreement and to observe the table of usage as set out by the international agreement. If there are people downstream yelling that they must have more water, they are in an unfortunate position because they are downstream. The people on Lake Ontario have the first use of the water and the dams at Cornwall and Iroquois should be used to control the level of Lake Ontario.

In referring to the levels of Lake Ontario I do so with the definite intention of suggesting to the Minister of Transport that the Liberal party must give serious consideration to the question of erecting dams at Sarnia, Amherstburg and Fort Erie to control the water levels in Lake Huron, Lake Michigan, Lake St. Clair, the Detroit River and Lake Erie.

Expo has given a tremendous shot in the arm to business throughout Canada, and particularly in eastern Canada. When Expo closes in October, without question there will be a tremendous letdown to industrial and business activity in that area. Many industries and business are benefiting at the present time from the great activity engendered by Expo and centennial celebrations.

This nation should be engaged in another great enterprise such as the building of the Canadian Pacific Railway, the financing of the original component part of the Canadian National Railway, the building of the St. Lawrence Seaway, or the erecting of many national monuments such as those I mentioned. One of the great international activities that the United States and Canada should engage in quicky is a program for the control of water levels of Lake Huron and Lake Michigan, by the building of a great international dam at Sarnia.

We could also establish water levels for Lake St. Clair, the Detroit River and control the level of Lake Erie, always bearing in mind that the use of water as agreed by Canada and the United States must first be for domestic and sanitary purposes, which relates to the health of people and recreation. The water then can be used for navigation, and last of all for power and irrigation. If power makes too great a demand on water it should be the duty of the International Joint Commission to inform the power people that they will have to curtail the use of water for power to be made available for consumers. They should not be given all the power they want for any purpose, and should not be allowed to unnecessarily use water for power when there is a shortage. The use of power in this case should be restricted, just as it was during the war years.

While we are discussing the estimates of the Department of Transport I should like to draw another matter to the minister's attention. I refer to the despicable situation which exists at airports in Canada where monopoly franchises are granted to transportation companies to move passengers to and from these airports. I cannot see for the life of me how the Liberal party can agree to these monopoly franchises that are granted to transportation companies for the transportation of people to and from the centres of cities and airports, and I have in mind from Ottawa to Uplands, Montreal to Dorval and Toronto to Malton, and then claim great credit for all they are doing to keep down prices.

I have in my hand a press release issued by the Department of Transport on March 27. At that time the Minister of Transport did not have a doctorate from the University of Manitoba, and the press release refers to him only as Hon. J. W. Pickersgill. I want to congratulate him on his honorary degree of yesterday and, as a newspaperman and friend of Lord Thomson of Fleet, I should like to congratulate him on the honorary degree he received a few days ago from the Memorial University of St. John's, Newfoundland. I sincerely hope he does not consider the degree he received from the Memorial University any less appropriate than the one he received from Manitoba because the chancellor of Memorial University is not a Canadian citizen. He had to become a citizen of the United Kingdom because of the provisions of the Canadian Citizenship Act. Lord Thomson was born and raised in Canada and loves his country better than any other on earth.

Tomorrow the minister, who issued this press release, is going to receive a hood from the Abbot of Bishop's University. I wish to congratulate him again on this honour. When he comes back to the house next week no doubt he will be able to explain to us how the Liberal party can appear to be walking down both sides of the road at the same time, particularly in respect of transportation between the downtown centres and the Malton airport, the Uplands airport, the Dorval airport and between the Ottawa Union Station and downtown Ottawa.

This press release dated March 27, 1967, relates to the fact that Canadian Pacific Airlines has been granted permission to fly more aircraft in Canada during Expo. In the middle of this press release from the Department of Transport at Ottawa the Minister of Transport issued the following statement regarding transcontinental air services in Canada. The second paragraph reads:

A well known British aviation consultant, Mr. Stephen Wheatcroft, who had been employed by the previous government to report on this matter, was asked to make a further report. His report received last year indicated that the service by C.P.A. on the domestic-transcontinental route Vancouver-Winnipeg-Montreal-Toronto, limited to a once daily round trip, while it had not shown any indication of producing either major improvements in efficiency or new traffic, had led to a wider public satisfaction as a result of the availability of choice between two carriers.

After the minister learned from Mr. Wheatcroft that there was wider public satisfaction as a result of availability of choice between two carriers, why would he not consider there would be wider public satisfaction as the result of availability of choice in getting to and from these airports such as Uplands, Malton and Dorval, to name only three? I believe the statement that there is wider public satisfaction as a result of availability of choice is a true and accurate statement, but why does the cabinet limit the choice at airports to a monopoly situation by granting these franchises?

I have in my hand the last report of the joint committee of the Senate and House of Commons on consumer credit, under the joint chairmanship of hon. Senator David Croll and Mr. Ron Basford. It is dated April 25, 1967, and is a progress report. At page 3470 under the paragraph heading "Consumer standards and consumer protection" we find the following statement:

It is essential for the government to take all measures within its power to foster the welfare of the consumer.

That is a nice broad statement. Who would disagree with it? The paragraph then continues as follows:

In particular, the government has a responsibility for protecting the consumer against all forms of exploitation.

Let me point out to you that the rates charged by the transportation people from airports to the centres of cities they serve are considerably higher than the rates charged by independent cab companies, and I can give you a specific example. When I use the authorized transportation service from Malton to Toronto it costs me $4.50, or if they happen to go down Jane St. and get into another self-imposed zone it costs $4.75. If I call up the Northwest Taxi or a Yellow Cab the trip costs $3.50 or $3.75. There is a difference of one dollar in favour of the franchised carrier. The independent cab people are willing to provide this service at the lesser price, and the same situation applies in Montreal. I gave you the figures for Toronto because I have alternated between the two companies deliberately to have a comparison to present to the house.

• (4:30 p.m.)

Continuing to quote from the report of the consumer credit committee, we read:

One aspect of this responsibility was referred by the government in July, 1966, to the Economic Council of Canada for investigation. The terms of reference of the study to be carried out are:

"In the light of the government's long term economic objectives to study and advise regarding: . . . (b) combines, mergers, monopolies and restraint of trade;"

If a monopoly position does not exist with regard to the airports in Canada when it comes to the transfer of passengers, I would like to know what else you can call it. And if it is not a restraint of trade, since other taxi companies are not allowed to stand at the airports and pick up passengers I do not know what the words "restraint of trade" mean. This situation is made even more ridiculous as far as the Liberal party is concerned when you read the debates in the House of Commons in 1951 at the time the amendment to the Combines Investigation Act was introduced to stop the maintenance of resale prices. I have been a businessman for 40 years and believe I look on things from a businessman's viewpoint. I did not agree with the Liberal government's attitude in 1951 when they brought in the amendment to the Combines Investigation Act in order to prevent the maintenance of resale prices at the retail level, and I do not agree with the act even at this time.

But listen to Hon. Lionel Chevrier, minister of transport in the St. Laurent government, speaking in this House of Commons on December 28, 1951. He is pointing out how the Liberal government is going to smash these maintained prices. Yes, sir; it takes the Liberal party to smash maintained prices, and it also takes the Liberal party to grant monopolies to these airport transportation companies. Mr. Chevrier said:

Hon. members will recall first of all that the royal commission on prices under the chairmanship of Professor Clifford Curtis of Queen's university

was—and I quote his remarks—"impressed by the degree to which individual manufacturers fix the sale prices of their products, and so narrow the area in which price competition amongst wholesalers and retailers is operative."

There is very little competition among taxi companies when only one company is granted the right to run in and out of an airport. Mr. Chevrier continued:

That commission, which included a representative of the women of Canada, in the person of Mrs. Sutherland, and a prominent representative of the Quebec co-operative movement, Mr. Bois, recommended that the combines investigation commission give careful consideration and study to the problem, with a view to devising measures to deal with it.

Then, later on, we had the MacQuarrie committee, an impartial and distinguished group of Canadians who made a study of resale price maintenance and reached the unanimous recommendation that the practice is not in the public interest and should be made illegal. That was a unanimous recommendation, and there was no reservation to it whatever.

There has been criticism of that report on the ground that the committee did not obtain sufficient factual evidence. I am not much impressed by that kind of criticism. What I think is significant is that men like Mr. Justice MacQuarrie from Nova Scotia, and Mr. Curtis from British Columbia, Mr. Lamontagne from Quebec and Dr. Mackintosh from Queen's university, Kingston, Ontario, were satisfied that they had enough information to reach the unanimous conclusion that resale price maintenance is not in the public interest. I am quite sure that if they had felt that more information was required before reaching such a conclusion they would not have hesitated to say so.

That is Hon. Lionel Chevrier, then minister of transport, speaking in this house in 1951. What better way is there to maintain the price than to have a monopoly position so that the rates you set are not open to competition by anyone.

I came into Ottawa on Monday by the evening train from Toronto. I could not get airplane reservations for Tuesday, so came down on the evening train. I was interested in the fact that when this train, with a tremendous group of holiday people returning to Ottawa from Toronto, Belleville, Kingston, Port Hope and other places along the line, got to Ottawa station, passengers were jumping into Arrow cabs, Capital cabs, Diamond cabs and Buske cabs. I wrote the names of the taxi companies down. The franchise is with Blue Line, but the passengers from the train were jumping into the taxis of these other companies. I stood at the doorway for a while watching the service that Blue Line is supposed to give under the monopoly position which it holds. It was quite evident that Blue Line could not handle this traffic and they were allowing these other companies to pick up whatever traffic they could.

I telephoned some of these private companies during the week and asked whether they had to kick in anything to Blue Line because they were picking up these passengers on Monday night. Blue Line could not convey the volume of traffic offered. They told me they did not make any kick-back to Blue Line, and when Blue Line are flooded with business they do not object to these other taxi companies servicing the people at the station. If Blue Line do not object to other taxi companies servicing people at the station on a holiday night, why should they object to them picking up passengers on any other night of the year?

We live in a competitive age. I have lived with competition in the business world, and I can tell you that it does not do any harm. It keeps you sharp, I can assure you. Why should a monopoly position be allowed to develop in Montreal, Toronto, Ottawa or anywhere else? The situation in Ottawa is pinpointed in this respect. There is a new hotel opening here, the Skyline. One taxi company has a monopoly position to run from the station to the Chateau Laurier and the Lord Elgin, and another company in the city of Ottawa wishes to make a similar arrangement in respect of the new Skyline hotel, running out to the Ottawa station at $1 a passenger. They will even make a second stop at Westgate shopping centre. They are trying to get the government to give them the right to pick up passengers at the station and run them to the Skyline hotel and the Westgate shopping centre. I wonder what reaction this will have? According to the report of the consumer credit committee and Mr. Chevrier, the Liberal party is in favour of competition in order to keep prices down. It will be interesting to see whether a second franchise is granted at the Ottawa railway station to a taxi firm so they can operate to the Skyline hotel. I wonder whether they will be allowed to compete for business at the airport and at the station, as they should be allowed to do.

Mr. Winch: Mr. Chairman, could I ask the hon. member a question?

Mr. Cowan: Yes.

Mr. Winch: Does the hon. member realize that the Skyline hotel is approximately three quarters of a mile beyond the Chateau, and the price of a taxi is 25 cents less than from the railway station to the Chateau?

Mr. Cowan: I am glad to have that contribution to the debate. I am pointing out that the federal cabinet claims that it wants to keep a competitive position in business in this country, but business is being prevented from competing by a cabinet which accepts the report of the consumer credit committee and has enacted measures to prevent resale price maintenance, but on the other hand grants monopoly positions to people who are thus able to maintain any price they want to maintain.

With regard to Malton, I point out that I was told once the reason the contract was not thrown open to public competition was that the original contract was less than $5,000. It is quite interesting to know that the original contract was less than $5,000, because within three years a 51 per cent interest in the company was sold to the present owner for better than $1 million. How you can expect the public to believe the statement that the original contract was entered into without public tender because it was less than $5,000, yet within three or four years the controlling interest in the company was sold for over $1 million to a group of bus lines in western Ontario, is beyond my comprehension. But the public are supposed to buy that and are not supposed to protest too much about it.

I had intended to speak on the question of land fill in lake Ontario, which is still going on despite the Navigable Waters Protection Act. I do not know of anything authoritative on the matter, but I have seen a letter to the effect that the Navigable Waters Protection Act is now under the authority of the Minister of Transport rather than under the authority of the Minister of Public Works. However, in the Navigable Waters Protection Act it is stated definitely in the interpretation clause that "minister" means the Minister of Public Works. I would like to discuss the question of illegal land fill in lake Ontario, but I understand the discussion continues next week with the Minister of Transport and perhaps I could deal with it then. In conclusion, Mr. Chairman, I would simply like to ask the minister whether the Department of Transport is still making informal references to the Board of Broadcast Governors on all cable community antenna television applications.

• (4:40 p.m.)

The regulations are that the Department of Transport shall rule on these applications, and the cable companies want the department to rule on them. Are they now being referred to the Board of Broadcast Governors informally?

The Chairman: I must advise the hon. member that the time allotted to him has expired.

Mr. Pickersgill: I wonder if the hon. gentleman would permit me to say one word. It is my intention on Monday—I reached this conclusion because of what was said by the hon. members for Vancouver East and Quadra earlier today, and I felt it would help them to answer some of the questions they raised about the development of Vancouver harbour—to ask the port manager in Vancouver to release publicly a report on the Vancouver harbour traffic trends and facility analysis which was done by the British Columbia Research Council. I have had this report for a few days but only had time to read on the way back from Winnipeg yesterday where I received an honorary degree, which contributed materially to my understanding of the report. The report itself is very interesting and illuminating. It is done by a very reputable body indeed, as the hon. gentleman would recognize.

I think it will contribute very materially to an understanding of the problems and of what is being done to meet them, in what is already the second largest port in Canada and on the Pacific coast of North America. I think, of our largest ports, it is the most rapidly growing one. I intend to make copies available to all hon. members from the metropolitan area of Vancouver some time on Monday.

Mr. Martin (Timmins): Mr. Chairman, I am very pleased to take advantage of the suggestion made by the minister today to hear opinions and suggestions from all hon. members of the house with regard to his department. I would just like to raise briefly one particular problem which has to do with the discrimination against northern Ontario by Air Canada. I want to make it perfectly clear from the start that when I speak of this discrimination I am not referring to the staff of Air Canada. I would like to take this occasion to pay the highest possible tribute to the Air Canada staff. I include not only the hostesses and the operators of the airplanes but also the staff in the various airports across the country who have demonstrated nothing but the greatest patience and courtesy and have given a very high standard of service.

The matter I am raising is not new. I have raised it before with the minister and his officials as well as with his predecessor, now

the Minister of Public Works. In fact, this complaint goes back to the days when Hon. Léon Balcer was minister of transport. This matter is particularly highlighted this year, and becomes even more a responsibility of the government, owing to the fact that this government has spent millions and millions of dollars to attract people to the wonderful show at Expo.

Of course, in order to get to Expo we have to consider the means of getting there. It is a very interesting point that Air Canada fares average in the neighbourhood of six cents a mile. Passengers travelling from Timmins to Toronto pay approximately that rate, and passengers travelling from Toronto to Ottawa also pay that rate. However, if one wants to travel from Ottawa to Timmins one has to pay $19 for the first 12 miles, or to get 12 miles closer to one's destination. I have raised this matter with the president of Air Canada, with whom I have exchanged considerable correspondence over the years, and as I have said, I have raised it with various ministers. If the ministers of transport of this country can be resistant, I would like to let them know that I can be just as persistent as they can be resistant. I intend to keep raising this matter until something is done to correct it. The distance from Timmins to Toronto is approximately 453 miles by highway. The return air fare over that distance costs $54, which is approximately six cents a mile. This is certainly a very competitive rate. I do not think one can travel that distance by car for that cost.

The distance between Timmins and Ottawa is about 12 miles further, or about 465 miles in all, but the difference in the return fare is $92 as compared to $54. Thus, it costs $1.50 a mile to travel the first 12 miles from Ottawa to Timmins. I do not deny the right of Air Canada to route passengers travelling from Timmins to Ottawa and Montreal around by Toronto if they wish to do so, but I do think it is very unfair to charge passengers for that distance. As is well known, we have in the north country a great number of French Canadian people. Many of them would like to make the trip to Expo this year, but they are met with what I can only describe as a discriminatory rate.

I should also like to say that it is interesting to note the transport policy adopted by this government. As I mentioned before, the air service between Timmins and Toronto is excellent. The train service from that area to Ottawa and Montreal is extremely bad, and so is the air service. I do not know why it is that when the train service is good we have a good air service as well but when the train service is bad, we supply poor air service. The president of Air Canada has given all kinds of excuses for this, none of which I can accept as valid. I was told by Air Canada first of all that they tried this sort of flight about ten years ago when the Timmins airport first opened, but they found there was an insufficient number of passengers to warrant the flight. Anybody with any realization of the situation today knows that far more people travel by air than was the case ten years ago. The train service which I mentioned has deteriorated in the same period of time. When I was first elected to the house some ten years ago, if one wanted to travel to Ottawa by train one could get a berth right in Timmins. A year or two later one had to go down to Porquis Junction, a year or two later one had to go to Englehart, and a year or two later one had to go to North Bay to get a berth. Now, one has to change trains about two o'clock in the morning and continue the rest of the trip to Ottawa and Montreal on a train which has neither berth or diner. The only other way one can get train service is to drive some 70 miles over what I believe is the only highway in Canada that is in worse condition than the trans-Canada highway as it goes across Ontario. Then, you catch the only convenient evening train which is the same train one would normally catch from North Bay. This is the train which has neither diner service nor berth, and is certainly a very uncomfortable mode of transportation.

I was also informed by the president of Air Canada, and I have the correspondence in my files, that Air Canada has made a check of the number of passengers travelling from the Timmins area to Ottawa and Montreal over a certain period of time. As a result, the company has concluded that the number of passengers does not warrant a direct flight between those points. How can a passenger service be built up if one has to pay six cents a mile to go to Toronto but the cost is almost twice as much for the additional 12 miles distance between Toronto and Ottawa? Of course this situation applies also to the passengers travelling from Montreal.

One other point which emphasizes the need for some corrective action in this field was illustrated to me the other day when I had lunch with a former member of this house, Mr. Jake Schultz from Winnipeg. He had been out to the west coast this year and he drove down this way. He said that the trans-Canada highway all the way across Canada

up to the Ontario border is in excellent condition. However, he said that once he crossed the Ontario border and travelled through northern Ontario the road was in such bad condition it was dangerous to life and limb.

I realize that this is not the particular responsibility of the minister but is primarily the responsibility of the government of Ontario. Even so, this matter would be under the jurisdiction of the Minister of Public Works rather than the Minister of Transport. However, I made this point in order to direct the attention of the minister to the additional need for some corrective measure to be taken, particularly this year in view of the fact that everybody is drawn to Expo in Montreal. We certainly want to make the travelling facilities attractive to the Canadian people who will visit Expo so as to warrant the expenditure on advertising. So, I would urge the minister to use his influence to try to do one of two things, either establish a direct flight from Timmins—North Bay—Ottawa—Montreal or, if this is not practicable, then at least establish a flight with fares which would be equitable as compared to other flights across this country.

• (4:50 p.m.)

Mr. Nugent: Mr. Chairman, it has been a while since I made any remarks concerning transport, but there has not been the sort of improvement which I had hoped to see in air services. I am reminded of the years when the Conservative government first allowed C.P.A. to have some air transport rights in Canada. As I recall the arguments advanced at that time by trans-Canada air lines, as it was called then, as well as by some hon. members on the other side of the house, there was a feeling that since we had a national air line it was necessary that it be put in a position where it could start to pay its way as soon as possible. A fear was expressed that there was not enough business to afford competition. They said that we were putting Air Canada in a position where it was likely to continue at a deficit or would not be able to afford to buy new planes so as to provide the kind of service we wanted it to give. As I recall, the president of Air Canada at that time, Mr. McGregor, in his arguments before the transport committee, said that the plans were for T.C.A. to acquire new aeroplanes to take care of the increase in the business. However, the cost of these new aeroplanes was such that they had to have that increase in business that was anticipated in order to be able to provide a service and to have a chance of breaking even.

The argument was then put forward that the other carrier, the C.P.A., would be glad to compete just for the increase in air traffic. In other words, once we had obtained a sufficient level of business for the national airline to be able to meet expenses, the increase in traffic should be thrown open to competition. They felt that in this way Air Canada would be assured of a situation in which they could break even, and that we would then be giving service to the country by having two airlines competing for the increase in traffic. It is my contention that we made the right move by allowing C.P.A. some rights in domestic airlines but that we have not gone nearly far enough. It is obvious to anyone who does any amount of travelling that the increase in air traffic was grossly underestimated by trans-Canada air lines and by the government. I am sure that the increase in air traffic today is such that had it been foreseen, we would have had much less objection to T.C.A.'s arguments regarding what competition would do to them. I am sure we would have had much more enthusiasm even from C.P.A., and a stronger bargaining position in order to get more service.

The situation in western Canada today is such that, even without Expo, we are not getting the service to which we are entitled. Businessmen as well as tourists must line up for a long time in order to get reservations. When we have Expo, which puts an extra load on the lines, something has to give. I know that in the city of Edmonton representations have been made for some time for another air carrier. C.P.A. should be able to pick up passengers on its way to Vancouver or Winnipeg, and it would be nice to have a choice of two airlines. As I understand it, the argument put forward was that the amount of business was not sufficient to warrant two airlines. The only reason for giving Air Canada a monopoly in certain areas was to ensure that the amount of business that was available there would generate the income necessary to ensure that they would not have to skimp on money.

I do not say that the provision of good service is not the objective of the air line, but I think the time has come—indeed, it is long past—when we should consider ways in which greatly improved facilities to the travelling public could be made available. In my opinion, since the preservation of a monopoly has not provided it we ought to make sure the routes are thrown open to competition

throughout Canada. I am not saying the present operator is not now prepared to give extra service; I understand there is difficulty in getting additional planes. But we are in a desperate situation in the west as far as air services are concerned, and I hope the method I have suggested will be used very soon in order to improve things.

May I call it five o'clock?

Mr. Pickersgill: I presume the committee does have to rise. But if I indicate that I am quite willing to go on listening, I wonder whether hon. members might not feel that it would be more profitable for us to resolve ourselves again into committee of supply and continue for another hour.

Mr. Howard: If the minister could guarantee to us that his listening would do some good and that he would take action with regard to some of these points which are being raised, it might be worth while. But can he guarantee that?

Mr. Pickersgill: Yes.

Progress reported.

Mr. Pickersgill: Might I be permitted to repeat my appeal and ascertain what the sense of the house is?

Mr. Nugent: We have just begun a new session and I think it would be setting a bad precedent if we were to dispense with private members' hour so soon. I know there are various hon. members who wish to speak during private members' hour and I suggest we go on with our business in the normal way.

• (5:00 p.m.)

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.

BUSINESS OF THE HOUSE

Mr. Pennell: Mr. Speaker, perhaps before the house proceeds to private members' business I may announce to the house the proposed business for Monday. The government proposes to ask the house to consider the estimates of the Department of Transport. Should these estimates be disposed of it is the intention to ask the house to consider the estimates of the Department of the Secretary of State.

Mr. Bell (Carleton): Mr. Speaker, may I ask the acting house leader whether he has satisfied himself that estimates on Monday will be proceeded with without having the usual supply motion. I believe there is a rather difficult situation in this regard. I do not think this is the time to argue the issue, and I certainly do not want to intrude upon private members' hour because I am going to make a speech then; but I hope the hon. gentleman has satisfied himself in this regard. I remember another government on another occasion getting into some quite considerable difficulty in this respect.

Mr. Pennell: Mr. Speaker, I am grateful to the hon. member for his suggestion, which I take very seriously. I have been giving this matter close attention, and in view of the remarks of the hon. member I will certainly look at it again.

Mr. Bell (Carleton): We want to be sure that there is no possibility of discussion of the estimates on Monday being considered one of the four supply motions.

Mr. Pennell: Mr. Speaker, I will assure the house now that it is not the intention, in asking the house to consider estimates on Monday, to regard that debate as one of the four motions for supply.

Mr. Bell (Carleton): Mr. Speaker may rule on Monday.

Mr. Knowles: Mr. Speaker, I wish only to make the comment that there has been a change in the rules since the previous occasion to which the hon. member for Carleton refers. I confess that I too was concerned about this matter, but on a closer reading of the provisional rules we passed just before the end of the last session I am persuaded that what the government is asking for is within the rules under which we are now operating.

Mr. Pennell: I am grateful to all hon. members, but I once again reassure the house it is not the intention to count this debate as one of the four supply motions.

Mr. Deputy Speaker: The Chair will not make any comment on this point at this time. I think the time to do this is when the occasion arises.

Canadian Citizenship Act

CANADIAN CITIZENSHIP ACT

AMENDMENT TO REMOVE DISCRIMINATION AGAINST CHILDREN BORN ABROAD, REJECTED APPLICANTS ETC.

Hon. R. A. Bell (Carleton) moved the second reading of Bill No. C-2, to amend the Canadian Citizenship Act.

He said: Mr. Speaker, centennial year is, I believe, an appropriate time to discuss and to assess the meaning and the significance of Canadian citizenship. To me it is a matter of gratification that the first private member's bill to be discussed at this centennial session of parliament is this bill, which is designed and introduced by me to serve a threefold purpose, each of the purposes being related to Canadian citizenship. For in this very special year, sir, the year of Canada's centennial, nothing could be more significant or vital than our dedication to a common Canadian nationality.

The basic purpose of confederation was to create a new nationality, one which, as Professor Frank H. Underhill has so well stated, would include but transcend—and I heavily underline the word "transcend"—the two main groups of English speaking and French speaking Canadians. To those two groups, divided in race, language and religion but united at confederation in a new nationality, has been joined the representatives of many other people—a genuine third force in our nation.

Now, sir, why do I describe the basic purpose of confederation as the creation of a new nationality? Permit me to read the words of the second paragraph of the first speech from the throne ever delivered in this parliament on November 7, 1867:

> I congratulate you on the Legislative sanction which has been given by the Imperial Parliament to the Act of Union, under the provisions of which we are now assembled and which has laid the foundations of a new nationality, that I trust and believe will, ere long, extend its bounds from the Atlantic to the Pacific Ocean.

The words "the foundation of a new nationality" were uttered by Lord Monck, Canada's first Governor General, but most probably their author was Sir John A. Macdonald. Certainly those words were approved by the first cabinet, which included many of the fathers of confederation, the architects of the new nationality, men of French heritage, men of English, Scots and Irish heritage. What they proclaimed—and again I underline this—was the foundation of a new nationality, neither French, English, Scots, Irish, Welsh nor that of any other "old land", but one which was to be unique as well as new and which was to bear the proud name "Canadian". It was not to be two nationalities, Mr. Speaker, nor three, nor four—just one.

This view of the intentions of the fathers of confederation was stated by Professor Frank H. Underhill with his usual clarity in the Massey Lectures, published under the title "The Image of Confederation". I should like to refer to an extract from page 1 of those lectures:

> The experiment of the new nationality that they thus proclaimed was of a nationality that should link together a variety of rather isolated, little colonial communities scattered across the northern half of the continent, and that, in particular, should include and transcend the two groups of English speaking and French speaking Canadians, divided though they were in race, language, and religion. That is, it was a complex nationality; and they were well aware of their own boldness in the initiation of this experiment.
>
> A nation is a body of men who have done great things together in the past and who hope to do great things together in the future. What makes them into a nation is not necessarily community of race, language, and religion, though these are powerful forces when they are present; it is their common history and traditions, their experience of living together, their having done great things together in the past, and their determination to continue doing great things together in the future.

I should like to repeat the words "their determination to continue doing great things together in the future", because I think that that is the real spirit of this nation of Canada.

In that light, Mr. Speaker, and with that background I would ask the house to give favourable consideration to this bill which would revise the Canadian Citizenship Act in three particulars.

The first problem dealt with by this bill is that of children born abroad to Canadian citizens. Under the law as it now stands a child born outside Canada of a member of Canada's armed forces or a member of the diplomatic or other public service or, indeed, of any other Canadian will lose his Canadian citizenship unless two separate things are done—and these things must be done about 20 years apart. First, the fact of his birth must be registered at a Canadian office abroad within two years of its occurrence.

• (5:10 p.m.)

Second, the individual born abroad must file between the ages of 21 or 24 a declaration of retention of Canadian citizenship. Today there are large numbers of Canadians serving or engaged outside of Canada; undoubtedly the number will grow. Many of the children of these Canadians born outside Canada are

likely to lose their Canadian citizenship, and lose it unwittingly, either through the failure of their parents to register the births abroad or through their own failure between the ages of 21 or 24 to file a declaration of retention.

True, he who loses his citizenship for either reason may regain it, but to do so he must file a petition for resumption of Canadian citizenship; the minister has a discretion in the granting of that petition. In my submission that is to make second class citizens of those children who are born abroad to Canadian citizens. To place the children of Canadian citizens who are serving their country abroad in the armed forces or in some other form of public service, as missionaries or as members of the Company of Young Canadians, in a category different from the children of Canadians performing the same duties in Canada is discriminatory and, I submit, a genuine hardship to the parents and children.

Now, you sir, as a distinguished member of the bar—and I proclaim that the hon. member for Ottawa East (Mr. Richard) who is now the Acting Speaker is a distinguished member of the bar, as is the usual incumbent of the Speaker's chair, you will know that under the old rule of nationality, which was related to the status on British subjects, dual registration was required only in the instance of the child, born abroad, the father of whom was also born abroad. In other words, the second generation born outside the realm needed to act to preserve its status. The rule, I think, made more sense than our existing rule under the present Canadian Citizenship Act.

This bill, sir, would preserve without registration or declaration the status of natural born citizen to any child born outside Canada to a Canadian citizen who was enlisted in the armed forces of Canada or was a public servant of the dominion or any provincial government, or was employed outside Canada by any firm, business, company or organization—religious or otherwise—the principal office of which was in Canada, or who was employed by an international organization in which Canada participates. This would cover virtually all the births abroad. For persons not within these categories the existing provisions of registration of birth and declaration of intention would continue to apply.

My submission this afternoon to the house is that we ought not to leave the children born abroad to our armed forces, to our diplomats, to our foreign aid officers, to our missionaries—to use only a few examples—in the existing state of "nationality no man's land".

Sir, since the bill was introduced I have had many calls from persons in the armed forces and from officers in the Department of External Affairs expressing their resentment at the secondary status of their children —children which have been born abroad. One officer indicated that of his four children the first and third had been born in Canada when he was on duty in this country but that the second and fourth were born in different countries while he was on overseas duty. These brothers and sisters have a different status as Canadian citizens—an anomaly surely within one family.

Mr. Speaker, the second proposed amendment arises out of frustrations I experienced as minister of citizenship and immigration in being unable to deal with applications for citizenship which were rejected, and which I was not able to deal with, for a two year period from the date of such rejection. Let me illustrate, and I think the matter will become clear.

In one instance I satisfied myself that the rejection was made on grounds which arose from mistaken identity. Had the applicant been guilty of the conduct alleged, the grounds for rejection would have been valid; it was not the applicant however, but another, of similar name, who had been guilty. Yet the minister was deprived by statute of doing justice for a two year period. I say that that situation is intolerable—although the likelihood of the situation arising again will be minimized by the proposed creation of a court of citizenship appeal. I emphasize that the court of citizenship appeal proposed in the government measure has nothing to do with the minister's final discretionary authority, and particularly where such authority is related to security matters. Nevertheless the minister, I believe, should have the right in special cases to deal with rejected application before the expiry of the two years, and that is what this bill proposes.

Finally, sir, this bill seeks to give full and absolute equality of status to all Canadian citizens, irrespective of whether they are natural born or naturalized. At present, for a number of reasons, Canadian citizens who are not natural born may be deprived of citizenship, whereas natural born citizens may not be so deprived for identical reasons. I say that this is a serious and regrettable discrimination which is resented deeply by naturalized Canadians. When the hon. Minister of Transport (Mr. Pickersgill), the

present hon. member for Bonavista-Twillingate, was in opposition, he railed against this and in 1959 he introduced a private member's bill on the subject. Four successive speeches from the throne promised to rectify it, and the hon. gentleman for York-Humber (Mr. Cowan) has talked of it on a number of occasions. Bill No. S-59 of the last session and Bill No. S-4 of this session—now on the Order Paper—deal with this matter, and Bill No. S-4 purports to do something about it. The bill I now discuss, sir, was first drafted before the original Bill No. S-59 was first introduced in the Senate.

This bill would make it clear that hereafter, under no circumstances, could a Canadian citizen who is not natural born lose his citizenship for any cause which would not in the same circumstances lead to the loss of Canadian citizenship by a natural born citizen. I believe that this is to be prefered to the retention of the power of revocation where citizenship was obtained "by concealment of material circumstances"—a vague and dangerous term—as proposed in Bill No. S-4. That is a government bill, and we shall discuss that on another occasion.

This bill now moved, Mr. Speaker, has three purposes and I hope that all three purposes will commend themselves to the house and to members on all sides.

• (5:20 p.m.)

There is nothing political, there is nothing partisan in this bill. I believe it could very well be accepted by the government and accepted by the house. By the grapevine, I hear that the government proposes to refer its bill which is on the order paper, Bill S-4, to the standing committee on Indian Affairs, human rights and citizenship and immigration. What would be most agreeable to me is that if this bill, after being debated until five minutes to six o'clock, could then be referred to that committee and given the opportunity for detailed study which I venture to suggest it genuinely deserves.

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

Mr. Bell (Carleton): Indeed.

Mr. Choquette: According to the Citizenship Act those who are born in Canada are also British subjects, and I say this with apologies to the hon. member for York-Humber (Mr. Cowan). Since Elizabeth II is Queen of Canada would the hon. member recommend that the status of British subjects for Canadian citizens be eliminated?

[Mr. Bell (Carleton).]

Mr. Bell (Carleton): Indeed, I certainly would not. It is one of my great prides that in addition to being a Canadian citizen, which is my first love, I am also a British subject.

Some hon. Members: Hear, hear.

Mr. Frank Howard (Skeena): Mr. Speaker, my remarks will be brief because I believe in trying to promote the concept that bills introduced by private members should be sent to a committee, regardless of their place of origin in the house, in order that a committee, and consequently government, may be able to draw upon all the brains in the house and not only on those which happen to reside in the heads of cabinet ministers. This has been my persistent approach to bills introduced by private members, and I therefore endorse the appeal made by the hon. member for Carleton (Mr. Bell). Of course, if those appeals had been listened to during the time the hon. gentleman was in the cabinet of the Conservative government, we might not now have to make such appeals because there would be an automatic procedure to refer public bills in the hands of private members to committee. Thus, we would have advanced a little more than we have into the field of reform of parliament.

After listening to the very effusive and perhaps voluble remarks of the hon. member for Carleton, I rather expected a glistening and shining document to be presented to the house, and perhaps the bill in so far as it goes falls within that category. But I think even the hon. member would admit it does have, not deficiencies, but that there are some items relating to matters of citizenship in Canada that could be included in it. In other words, the bill is not completely exhaustive of the necessity of altering our citizenship act to comply with the sense of what has been advocated by the hon. member for Carleton in his speech, and what has been advocated by others over the years.

I am not going to try to transgress on the rules of the house by commenting on Bill S-4, which also deals with the citizenship act, but it would seem to me to be an admirable course to take, to remove the present requirement that a person be of landed immigrant status for five years before he can make application for citizenship.

I have advocated this on other occasions, and I reiterate it now. If this bill does go to a committee, and if the government takes the course of referring Bill S-4 to a committee as well, the committee might well consider reducing the present five year requirement to

one year. Not only do I think the five years inordinately long, but also within it there is an element of discrimination because, as I understand the law, it says that if a woman becomes the wife of a Canadian citizen she can apply for citizenship after one year. That is why I choose the one year period and advocate making it applicable to everyone. The one year period is now contained in the law, but it applies only to a woman who becomes the wife of a Canadian citizen.

Conversely if a man becomes the husband of a Canadian citizen—and this is the discriminatory part—he has to wait for five years before he can make an application for citizenship. It would seem to me that at least the justice of equality, of making men equal with women before the law, should find its way into the Citizenship Act.

I presume we have to have some period specified and I suggest this one year period. I suggest we should make it universally applicable to anyone who comes to Canada from Europe, Asia, Africa, any country large or small. I suggest we should base our requirements for citizenship not upon the rituals that exist now, of having people learn by rote the names of the Great Lakes, the names of the highest mountains, how many provinces there are, and who happens to form the government for the time being, but rather place a greater emphasis on the intentions and the hopes that the individual has, on his concepts of Canada, his concepts of citizenship and of responsibility to mankind and to society.

If we placed more emphasis upon this, and less upon learning from a text prepared by the department itself about what one should say when one goes before a citizenship court, I think we would be starting off on developing a far greater understanding and appreciation of what Canada is.

Mr. Bell (Carleton): Hear, hear.

Mr. Howard: If we did that we would be much further along the road to which the hon. member referred when he quoted from the speech from the throne of November, 1867.

I am not so much concerned that this happens to be centennial year or that we should make a fetish out of doing things just because it happens to be centennial year. I am more concerned about doing things of this sort because I believe it is fundamentally correct that we should place emphasis upon the dignity of mankind and the worthwhileness of mankind in our society rather than upon the fact that we have reached a certain stage in our history. But if it takes the centennial emotion to bring these things to a head and permit them to pass, then all well and good, let us use that centennial emotion to do something worthwhile.

It is government members who usually talk out private members' bills. Today I hope that someone on the government side, especially the minister who I am sure is here for the purpose of paying particular attention to the bill being discussed, will announce it is the government's wish that this bill receive approval and referral to a committee. Then, the committee can get its teeth into some aspects of citizenship before the government sends its own bill, Bill S-4, which is much more expansive than this one, to that committee. I do not say this to detract in any way from the principles contained in the bill of the hon. member for Carleton, and I support them wholeheartedly.

• (5:30 p.m.)

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I have only a few words to say in respect of this bill which has been presented by the hon. member for Carleton (Mr. Bell) with his usual ability, concern for the history of this country and concern for the concept of Canadian citizenship. I think the spirit in which it has been presented is to be commended. I believe it would remove several anomalies from the act as it stands. I must also agree with the concern expressed by the hon. member for Skeena (Mr. Howard) in respect of the clauses in the present act which are discriminatory and which I hope would be one of the topics to be investigated by the royal commission on the status of women.

Within the amendment as presented by this Bill C-2 I wonder why, for example, the only children born out of wedlock who automatically would be Canadian citizens would be those in cases where it was the mother who served outside of Canada. When one starts discussing children born out of wedlock in cases where the father is serving outside of Canada, I know difficulties in determining paternity arise. It does seem to me, however, that this has been one of the most distressing aspects of the situations in wartime or peacetime, where large bodies of armed forces have been outside the country and where in several countries of the world a sizeable proportion of second class citizens have been left behind when the armed forces have withdrawn.

These are citizens who have no claim to the citizenship of the countries to which their fathers belong and who have not been received by the country in which the armed forces were serving. A moral problem, and one which admittedly is perhaps unsolvable, has remained through the years in such countries. I have nothing but praise for the subsequent clauses of the bill and particularly the part of the bill which would remove any second class status from naturalized citizens. Having been a teacher of social studies, I had the embarrassing experience of a bright student asking me why some Canadian citizens were second class citizens lacking the full rights of citizenship even though citizenship had been granted to them because what had been granted to them was not as complete as the citizenship of the native born. When that question was asked, I was placed in the embarrassing position of having no defence whatsoever to make for this most irrational, illogical and discriminatory situation.

I felt that surely, if citizenship is to be granted at all, it should be granted completely. Therefore, I would approve wholeheartedly of this bill. If it should be referred to the committee, I would hope that the committee and subsequently this house would move as rapidly as possible to implement the amendment to the act which would make Canadian citizenship a factor that is indivisible so that it would have the same full meaning and value for anyone who held it.

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, first of all I should like to sincerely congratulate the hon. member for Carleton (Mr. Bell) for his moving speech this afternoon and especially for his introductory remarks.

At the outset I must say that some of the points raised in this Bill C-2 are very well made. In fact, some of the proposals made by the hon. member for Carleton are included in Bill S-4 which was passed in the other place on May 10 and which was introduced here and given first reading on May 15.

Clauses 4 and 5 of Bill S-4 are almost identical to clauses 3 and 4 of this bill. The purpose is to remove the areas of discrimination which appear to exist between the natural born and the non-natural born Canadian. However, I think it is appropriate to retain the power to revoke citizenship which is obtained fraudulently and for this reason I do not agree that section 19(1) of the Canadian Citizenship Act should be repealed in its entirety. I do not consider that discrimination can be charged by permitting revocation of citizenship obtained by false representation, fraud or concealment of material circumstances even though only the non-natural born Canadian can become a citizen by such malfeasance.

I am rather surprised that the hon. member for Carleton, who was a former minister of the crown then responsible for the administration of the Canadian Citizenship Act, would suggest that the minister be given discretion to shorten the two year delay period before which rejected applicants again have the right to re-apply for citizenship. I am sure that he is personally aware of the heavy responsibility carried by a minister when under the law he rejects an applicant for Canadian citizenship who has already satisfied a citizenship court that he is a fit and proper person worthy to receive the high honour of Canadian citizenship. It seems to me that such a decision is only reached after the most careful consideration of all the available information, and then applicants are only rejected in the national interest when there appears to be no other alternative.

In so far as applicants who are rejected by the courts are concerned, hon. members are aware that the citizenship act does not provide the minister with any discretion unless the court decision is favourable. To provide the minister with authority to direct a court to receive a new application would serve little or no purpose since the court could reject the new application on the same grounds as the previous rejection. However, I think the establishment of a citizenship appeal court, as proposed in clause 7 of Bill S-4, will achieve the real aim of the proposal found in clause 2 of this bill. Although it does not entitle a rejected applicant to file a new application before two years, such an applicant will be able to have his existing application reviewed by a higher court. This will protect his rights, particularly in cases where applicants consider that their qualifications have been unfairly assessed by the lower court or in cases such as have happened in the past where the rejection of an applicant appears to be contrary to the basic principle of freedom of religious belief or for that matter, disbelief which we profess as a basic right in Canada.

Mr. Bell (Carleton): That is the precise purpose of this.

Mr. Béchard: I now come to what I consider is the principal proposal in Bill C-2 which is found in the first clause. The explanatory note in the bill alleges that the registration

process required under the Canadian Citizenship Act for children of Canadians born abroad since January 1, 1947, is discriminatory particularly when related to the children of Canadians who are serving their country abroad either in the armed forces, the federal or provincial public services. This applies as well to Canadians in the private sector who are employed abroad by industry which is established in Canada and also to persons employed outside Canada by international agencies in which we participate.

I must admit that at first glance there seemed to be an element of discrimination in the existing law, particularly when related to children of Canadians serving abroad in the direct service of their country.

• (5:40 p.m.)

On the other hand, I wondered if it would not be equally discriminatory to single out certain groups of Canadians by professions or occupations and give them what might be considered advantages over all other Canadians. As a result, I decided to do some research into the reason for this registration of birth abroad requirement to see whether it should be retained for all Canadians or deleted from the law completely.

I find that at page 506 of *Hansard* of April 2, 1946, the present minister of external affairs (Mr. Martin) who was then secretary of state, had this to say when comparing the requirements for Canadians born abroad after the new citizenship act came into effect with the provision then found in the Naturalization Act:

> The principal difference is his, that in future all Canadian children born abroad will have to be registered within two years either at a diplomatic, consular or trade commissioner's office or in Ottawa. Hitherto registrations have not been necessary in all cases of children born abroad who have acquired the status provided for in existing legislation. There is, I believe, good reason for this. There is a slightly greater strictness in the new bill. Hereafter Canadian children born abroad will, as Canadians, have the right to entry into Canada. They have never had it before. In giving this important right it is felt necessary to have some record and some form of evidence that will serve for immigration purposes. Children born in Canada will in all cases have birth certificates. In a parallel manner we are requiring the registration of children born abroad, in order that there may be a basic record to estabilsh their rights as Canadian citizens.

On reflection I have come to the conclusion that the registration requirement is both a good and a necessary provision even though some may say "merely more paper work". I don't think we would be helping those Canadians serving their country abroad by exempting them from this requirement.

I should like to point out to hon. members that government staff who are sent abroad, including forces personnel, are well briefed on the requirements of Canadian legislation which might affect them while outside Canada. To this end they are warned by their respective departments of the registration requirement related to children born abroad. It is the duty and responsibility of Canadian consular officials abroad to warn all Canadians of the requirements and, surely, it is not too much to expect them to personally remember to register their own children.

At any rate, once the birth is registered, there is a permanent basic record from which claims to citizenship can be confirmed. Departmental officials inform me that one of the greatest problems they face relates to the documentation required when a Canadian who was born outside this country 50 or 60 years ago suddenly finds himself in need of proof of his claim to being a Canadian by descent. He must document his parents' marriage, he must prove the father-child relationship and, in addition, he frequently must establish his own lawful admission to Canada for permanent residence. I am sure many hon. members have received letters from irate constituents complaining bitterly about the almost impossible task demanded of them by the citizenship officials to document their claim to the truth of the simple statement "I am a Canadian". Nevertheless, if Canadian citizenship is to retain its high value all this is necessary because proof of citizenship cannot be issued on the mere say so of every individual who claims to be a Canadian, but who was not born here.

On the other hand, let us look at the case of a 20 year old alleged Canadian who arrives at our border for the first time in this, our centennial year, and demands his right to come into Canada to attend the centennial ceremonies of "his country" but who has not equipped himself beforehand with proper travel documents and identification papers which will bear out his claim to being a Canadian. The fact is that if his birth was not registered he is not a Canadian. However, if his parents attended to the matter of registering his birth as required by the law since 1947, then a simple phone call or telegram to the citizenship authorities will confirm his claim to citizenship because it is a matter of record.

I know there are those who might say that this is all very well, but let the registration be

merely an administrative process for establishing a basic record. However, the status itself should be automatically conferred at birth without the paper formality. How many of us would attend to this sort of detail if it were not absolutely essential? Many would be inclined to delay and procrastinate, and in the final analysis, no application for registration would be completed until an urgent need for proof of citizenship arose. Of course, it is this undesirable situation which should be avoided.

I should also mention that all Canadian passports carry a warning that children born abroad must be registered, and a further warning concerning the possibility of automatic loss of citizenship at age 24 if such Canadians are then domiciled abroad and have failed to exercise their right to protect their Canadian citizenship.

Here again this bill alleges discrimination against children born abroad of parents in certain professions or occupations who were required to live outside Canada. This is because such a person may inadvertently fail to take the necessary steps under the act to file a declaration of retention between his 21st and 24th birthdays. Of course, if he has never come to Canada or having come here has moved away again, he will automatically lose his birthright on his 24th birthday.

Earlier I said that at first glance I was inclined to agree that the existing provision seems to provide a discriminatory element against children of Canadians serving their country abroad. As I pointed out, the registration requirement provides a control measure related to citizenship by descent and ensures that such Canadians are citizens of record just as their brother and sister Canadians born in Canada are recorded under the provincial birth registration requirements.

In essence, we have here a further control measure which seems to be related to the fact there is an outward movement of Canadians to other countries, particularly to our great and friendly neighbour to the south. By this provision, children born outside Canada of such migrating Canadians lose their citizenship at age 24, but have the right to protect their nationality by filing a declaration of retention. This right is usually only exercised by those families who maintain strong ties and associations with their country of origin. I am rather inclined to the view that the birth registration requirement is sufficient control. It is unlikely that successive generations of Canadians would carry out the registration procedure unless strong Canadian connections had been maintained.

In the latter instance, no doubt they would make very desirable Canadian citizens and little or no harm could result if a family of Canadian origin acted in accordance with the law and exercised their legal right to register children through a number of future generations.

Having said all this, it seems to me that the experts should be asked to consider this point in relation to possible future changes in the act. It seems to me that consideration might be given to dropping this provision as it relates to all Canadians born abroad or, conversely, substantial reasons should be advanced for its retention without any exceptions. I should mention, however, that as the law now stands, any Canadian who has lost his status under this provision may be permitted to resume it.

It is for these reasons that I consider it would be more appropriate at this time to approve Bill S-4 which has already received first reading, and leave consideration of other changes including those referred to in the bill introduced by the hon. member for Carleton (Mr. Bell) until the entire law is under revision.

• (5:50 p.m.)

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, it is a particular pleasure to take part in this debate on the first private member's bill in our centennial session, particularly because of my strong interest in the subject of Canadian citizenship and, parenthetically, because I have the opportunity of supporting a bill put forward by my own member of parliament for the time being, the hon. member for Carleton (Mr. Bell).

Mr. Bell (Carleton): Hear, hear.

Mr. Stanbury: I hope to be here for some years, but perhaps the member for Carleton will be different after the next election. The bill of the hon. member reflects the concern of many Canadians that there is a kind of second-class citizenship inherent in our Canadian Citizenship Act. Many of us on both sides of the house have for some time been putting forward suggestions for the removal of this discrimination. I am pleased to see that some of our representations are bearing fruit in the government bill which will reach us as S-4.

When that bill is under discussion in the house and in committee I presume the hon. member for Carleton will want to make suggestions for amendments, and I think that would be an ideal time to consider the ideas which are included in his private member's bill. I am also concerned about discrimination in another direction against our new citizens. I am concerned about the discrimination, that appears to be inherent in our laws, to which immigrants are exposed before they have the opportunity of becoming Canadian citizens.

I look back to the debate on the introduction of the Canadian Citizenship Act in 1946 and see that when the Secretary of State for External Affairs (Mr. Martin), then secretary of state, moved second reading of the bill he said, as reported at page 504, volume I of *Hansard* for the session of 1946:

> One thing we hope to do, following the passage of this measure, is to provide a more effective and impressive ceremony of admission into the Canadian family. Our citizenship is made up not only of people born in this country and of people who acquired domicile as British subjects under the Immigration Act, but of many thousands of new Canadians living in all parts of our country who have come from other lands and who have made a notable contribution to the development of Canada. There are people who came from many parts of central Europe and who are now living and working as Canadians on our farms and in our factories. Many of those people came here without being able to speak the two languages of the country and without being accustomed to its traditions. Most of them have rendered notable service to Canada. We should not lose the opportunity of impressing ourselves and reminding them that just as we are glad to welcome them to our shores, now that they are here they should enjoy with us the full measure of partnership in the Canadian community.

Under our present laws those who come to us from shores other than those of the British commonwealth do not enjoy a full measure of partnership in the Canadian community. I certainly would not deprecate the connection and the very warm affection that exists between Canadians and the mother country of so many of us and so many of our ancestors, the United Kingdom. But I suggest that we should consider very carefully whether the time has now passed, in this centennial year, when we can afford to put more stress on origin than we do on citizenship.

We find that under our electoral laws immigrants from countries other than those of the commonwealth are discriminated against. In order to vote at a federal election a person must be 21 years of age or over, a Canadian citizen or other British subject. In the case of a British subject he must be a person who resided in Canada for 12 months immediately preceding polling day.

The argument is put forward very often that naturally a person coming from a British country, with British parliamentary traditions, is more familiar with our democratic processes and our history and therefore should have rights superior to those afforded immigrants from other countries. But I would suggest that there is no longer any logic to this argument. There have been so many changes in our commonwealth that a great many commonwealth countries do not accord Canadians the same voting rights and rights of candidacy in their countries as we accord them here. In fact, we accord these rights to citizens of countries which are no longer in the commonwealth or which do not consider themselves to be within the commonwealth. We accord these rights to citizens of the Republic of Ireland. We accord these rights to citizens of the Republic of South Africa. We accord these rights to British subjects who are residents of Rhodesia but apparently do not now consider themselves to be members of our commonwealth.

Mr. Speaker, I think the least we could do in amending the citizenship act is recognize this kind of discrimination, ensuring for instance that the stress placed upon a person being a British subject does not accentuate the discrimination against others which is already inherent in our laws. I hope that the suggestions of my member of parliament will be considered very carefully when Bill No. S-4 is before the house. I am sure that the minister and her officials will consider his suggestions very carefully between now and that time.

Mr. Deputy Speaker: Order. The hour for the consideration of private members' business has expired.

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

HOUSE OF COMMONS

Monday, May 29, 1967

The house met at 2.30 p.m.

[*Translation*]

PRIVILEGE

MR. CHOQUETTE—CONSIDERATION OF PRIVATE MEMBERS' MOTIONS ON ORDER PAPER

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I rise on a question of privilege concerning notice of motion No. 1 on page 17 of the order paper, and standing in the name of the hon. member for Carleton (Mr. Bell).

On May 15, 1967, as recorded on page 187 of *Hansard*, the hon. member for Winnipeg South Centre (Mr. Churchill) asked you to strike from the order paper notice of motion No. 36 standing in my name.

Whereupon you replied:

—There may be arguments in favour of the proposition advanced by the hon. member for Winnipeg South Centre, and if he will allow me to do so I will take that point under consideration and in due course, because I do not think it is a matter of extreme urgency, render a decision as to whether it is in order to allow this type of motion to be on the order paper.

Mr. Speaker, the motion of the hon. member for Carleton seeks to do indirectly what I would do more directly, that is the member for Carleton wants the royal power of dissolution abolished and—I end my question of privilege here—as the motion of the member will be studied today, I maintain I am being discriminated against if his motion is considered in order, because you have given no ruling.

That is why I move, seconded by the hon. member for Vaudreuil-Soulanges (Mr. Émard):

That notice of Motion No. 1, on the order paper of the house under the name of the member for Carleton (Mr. Bell) be deleted therefrom and be considered invalid until such time as the Speaker has given a ruling on notice of motion No. 36 under my own name.

Mr. Speaker: Order. The hon. member will remember that when this question was raised by the hon. member for Winnipeg South Centre (Mr. Churchill), I indicated at that time that there was no question of privilege even though a point of order may have been justified. I must make the same ruling in the case of the question of privilege raised by the hon. member for Lotbinière (Mr. Choquette) and suggest that he may raise, if he wishes, a point of order when the notice of motion in the name of the hon. member for Carleton (Mr. Bell) is called.

[*English*]

Mr. Bell (Carleton): Mr. Speaker, on the question of privilege, may I say that each time the member for Lotbiniere rises my heart bleeds for his distinguished father and mother. I do not intend to add to their discomfort.

Some hon. Members: Order.

Mr. Speaker: Order, please. If this matter is raised again by the hon. member for Lotbinière as a point of order the hon. member for Carleton may at that time make his comments in respect of any arguments then advanced by the hon. member for Lotbinière.

• (2:40 p.m.)

DIVORCE

HOUSE OF COMMONS MEMBERS OF SPECIAL JOINT COMMITTEE

Mr. Bernard Pilon (Chambly-Rouville) moved:

That the members of the House of Commons on the special joint committee of the Senate and House of Commons to inquire into and report upon divorce in Canada and the social and legal problems relating thereto be Messrs. Aiken, Baldwin, Brewin, Cameron (High Park), Cantin, Choquette, Fairweather, Forest, Guay, Goyer, Honey, Laflamme, Langlois (Mégantic), MacEwan, Mandziuk, McCleave, McQuaid, Otto, Peters, Ryan, Stanbury, Tolmie, Wahn and Woolliams; and that a message be sent to the Senate to acquaint Their Honours thereof.

Motion agreed to.

NATIONAL AND ROYAL ANTHEMS

HOUSE OF COMMONS MEMBERS OF SPECIAL JOINT COMMITTEE

Mr. Bernard Pilon (Chambly-Rouville) moved:

That the members of the House of Commons on the special joint committee of the Senate and House of Commons to report upon question of lyrics of the national and royal anthems of Canada be Messrs. Forrestall, Gauthier, Hymmen, Johnston, Mandziuk, Martin (Timmins), McCutcheon, McWilliam, Orange, Prud'homme, Ryan and Tremblay; and that a message be sent to the Senate to acquaint Their Honours thereof.

Motion agreed to.

Proposed Legislation

IMMIGRATION

HOUSE OF COMMONS MEMBERS OF SPECIAL JOINT COMMITTEE

Mr. Bernard Pilon (Chambly-Rouville) moved:

That the members of the House of Commons on the special joint committee of the Senate and House of Commons to examine and report upon the white paper on immigration tabled in the House of Commons on October 14, 1966, and the reports on immigration matters made to the government of Canada by Mr. Joseph Sedgwick, Q.C., in 1964 and 1966 be Messrs. Aiken, Badanai, Baldwin, Bell (Carleton), Blouin, Brewin, Chatwood, Crossman, Dinsdale, Enns, Haidasz, Klein, Laprise, Leblanc (Laurier), Macaluso, Munro, Nasserden, Orlikow, Prud'homme, Régimbal, Roxburgh, Ryan, Skoreyko and Watson (Châteauguay-Huntingdon-Laprairie); and that a message be sent to the Senate to acquaint Their Honours thereof.

Motion agreed to.

TOBACCO RESTRAINT ACT

REQUIREMENT THAT HEALTH WARNING BE PRINTED ON CIGARETTE PACKAGES

Mr. Antonio Yanakis (Berthier-Maskinongé-Delanaudière) moved for leave to introduce Bill No. C-119, to amend the Tobacco Restraint Act.

Some hon. Members: Explain.

[*Translation*]

Mr. Yanakis: Mr. Speaker, I am introducing this bill in order to call to the attention of the government the report which the Department of National Health and Welfare published after a study which lasted 12 years and proved that there is a direct link between excessive cigarette smoking and the mortality rate due to chronic illnesses such as lung cancer, respiratory ailments and heart disease.

In order to warn smokers and the coming generation against that danger, it would be advisable for the government to limit advertising with regard to tobacco and force companies to print on their packages of cigarettes: Warning—Smoking may endanger your health.

[*English*]

Motion agreed to and bill read the first time.

INDIAN ACT

AMENDMENT REQUIRING SPECIFIC LEGISLATION TO ALTER TREATY RIGHTS

Mr. Ed. Schreyer (Springfield) moved for leave to introduce Bill No. C-120, to amend the Indian Act (rights guaranteed by treaties).

Some hon. Members: Explain.

Mr. Schreyer: Mr. Speaker, up until the present time laws of general application have been detracting from certain Indian rights as guaranteed by treaty.

The purpose of this bill would be to change the legislation so that only by specific enactment could treaty rights be detracted from.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

VOTERS IN LAST ELECTION

Question No. 2—**Mr. Caouette:**

1. How many electors who were not Canadian citizens but were British subjects, ordinarily resident in Canada for the 12 months immediately preceding polling day, voted in the last federal election?

2. Did any persons who were neither Canadian citizens nor British subjects (e.g., French or Italian immigrants ordinarily resident in Canada for the 12 months immediately preceding polling day) vote in the last federal election?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Chief Electoral Officer as follows: 1. The Canada Elections Act does not require an elector to specify whether he is a Canadian citizen or other British subject; consequently, the information requested is not available.

2. According to the Canada Elections Act, a person must be a Canadian citizen or other British subject to be qualified as an elector. No information is available as to any person who voted at the last federal election who was not qualified as an elector as defined in section 14 of the said act.

HOUSE CONSTRUCTION UNDER SECTION 35A OF ACT

Question No. 3—**Mr. Caouette:**

1. How many dwellings have been constructed in each province under section 35A of the National Housing Act?

2. How much was the federal government required to pay each of the provinces for the said dwellings?

Hon. J. R. Nicholson (Minister of Labour):

HOUSING PROJECTS APPROVED UNDER THE NATIONAL HOUSING ACT, SECT. 35A
1949–1966

Province	Federal-Provincial Rental Housing Projects									Housing Commissions		
	New			Existing			Total					
	No. of Projects	No. of Units	Actual Expend. (Federal Share) ($000)	No. of Projects	No. of Units	Actual Expend. (Federal Share) ($000)	No. of Projects	No. of Units	Actual Expend. (Federal Share) ($000)	No. of Loans	No. of Units	Actual Expend. (Federal Share) ($000)
Newfoundland	7	826	7,591	—	—	—	—	826	7,591	—	—	—
Prince Edward Island	—	—	—	—	—	—	—	—	—	13	119	580
Nova Scotia	6	1,013	9,592	1	8	69	7	1,021	9,661	165	1,331	6,187
New Brunswick	7	785	6,677	—	—	—	7	785	6,677	—	—	—
Quebec	1	796	7,998	—	—	—	1	796	7,998	—	—	—
Ontario	75	6,599	62,493	2	436	2,411	77	7,035	64,904	—	—	—
Manitoba	2	494	1,571	—	—	—	2	494	1,571	—	—	—
Saskatchewan	12	633	5,261	—	—	—	12	633	5,261	9	36	77
Alberta	3	98	640	—	—	—	3	98	640	—	—	—
British Columbia	7	1,400	11,243	—	—	—	7	1,400	11,243	—	—	—
CANADA	120	12,644	113,066	3	444	2,480	123	13,088	115,546	187	1,486	6,844

NOTE: The federal government's share of expenditures on housing projects approved under Section 35A is given in the above. The titles to federal-provincial rental housing projects are in the name of Central Mortgage and Housing Corporation on behalf of the federal-provincial partnerships. The federal government, through Central Mortgage and Housing Corporation, finances the construction of the projects, recovering the 25 per cent provincial share quarterly as construction progresses. Housing constructed for sale under Section 35A in the provinces of Nova Scotia, Prince Edward Island and Saskatchewan are financed by loans from Central Mortgage and Housing Corporation to the provincial housing commissions, under the terms of designation agreements. The housing commissions in turn lend the money to the proponents of the individual projects on the security of blanket mortgages. The purchasers acquire their properties through the equivalent of an agreement for sale, title to the property remaining with the project until the property is fully paid for.

Questions

PARKING TICKETS ON PARLIAMENT HILL

Question No. 9—**Mr. Caouette:**

What is the number of parking tickets that have been issued on parliament hill since April 30, 1966, and how much does the total sum of these parking tickets amount to for the same period?

Hon. L. T. Pennell (Solicitor General): 3,953 parking tickets were issued of which prosecutions were entered in 1,454 cases, resulting in fines and costs amounting to $4,575.

LOANS FOR PURCHASE OF EXISTING HOUSES

Question No. 17—**Mr. Bell (Carleton):**

1. Since the enactment of amendments to the National Housing Act in November, 1966, how many (a) insured loans have been made by approved N.H.A. lenders (b) direct loans have been made by Central Mortgage and Housing Corporation, to persons buying existing housing?

2. What is the total value of the loans in each of categories (a) and (b) above?

Hon. J. R. Nicholson (Minister of Labour): 1 and 2. Since the enactment of amendments to the National Housing Act in November, 1966, Central Mortgage and Housing Corporation has received 1,329 applications for loans from persons wishing to buy existing housing.

(a) One loan for $10,200 has been made by an approved N.H.A. lender and, (b) 597 loans for 603 units in a total amount of $5.8 million have been made by Central Mortgage and Housing Corporation, to persons buying existing housing.

BILINGUAL MEMBERS OF PUBLIC SERVICE COMMISSION

Question No. 18—**Mr. Bell (Carleton):**

What are the names of the members of the Public Service Commission who are sufficiently proficient in both the English and French languages as would permit, without the use of an interpreter, effective communication between them and a candidate for appointment to the public service in the language selected by such candidate as the language in which he desires to have any examination, test or interview conducted?

Hon. Judy V. LaMarsh (Secretary of State): I have been given the following information by the public service commission: Mr. Sylvain Cloutier.

BULK TRANSPORT OF PETROLEUM PRODUCTS ON GREAT LAKES

Question No. 22—**Mr. Barnett:**

1. With regard to the answer to question No. 2,593 of the 1966-67 session, what steps have been taken to prevent or combat the possible pollution of the waters of the great lakes by bulk petroleum products being transported by tankers (a) by the Canadian Coast Guard (b) by any other agencies of the federal government (c) by agencies of the government of the United States (d) by agencies of provincial or state governments adjacent to the great lakes?

2. What national or international authorities are responsible for insuring the safe carriage of bulk petroleum products on the great lakes?

3. Under the authority of what legislation do such bodies operate and what regulations have been enacted in this connection?

4. Has the government of Canada instituted any review of its policies or programs in the light of the United Kingdom experience in attempting to combat the outflow of oil from the tanker wrecked at Land's End in British waters?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. (a) Masters of Canadian Coast Guard ships have been designated as inspectors for the purposes of the oil pollution prevention regulations.

(b) The St. Lawrence seaway authority enforces the seaway regulations which prohibit the discharge of oil in waters under the authority's jurisdiction. Steamship inspectors of the marine regulations branch of the Department of Transport enforce the oil pollution prevention regulations.

(c) The United States is a signatory of the international convention for the prevention of pollution of the sea by oil. We do not, however, have information as to the specific duties of the various U.S. agencies in this connection.

(d) Shipping is a federal responsibility and the provinces are not involved. We have no information in respect of state governments.

2. In Canada, the Department of Transport. No international authorities are involved.

3. (a) Canada Shipping Act; (b) oil pollution prevention regulations; (c) hull construction regulations; (d) hull inspection regulations; (e) machinery construction regulations; (f) machinery inspection regulations; (g) fire detection and extinguishing equipment regulations; (h) dangerous goods shipping regulations; (i) load line rules; (j) rules of the road for the great lakes.

4. The matter of the *Torrey Canyon* was recently considered at a special meeting of the intergovernmental maritime consultative organization in London. Canadian representatives attended and will be participating in discussions and meetings as arranged.

CONSULTATIONS RESPECTING METRIC SYSTEM

Question No. 23—**Mr. Bell (Carleton):**

1. Have there been any consultations with (a) the government of the United Kingdom (b) the governments of other nations of the Commonwealth, specifying which (c) the government of the United States of America, regarding the adoption of the metric system?

2. If so, what was the nature of such consultations in each case and what was the result of each?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. No.

2. Not applicable.

*CUSTOMS DUTIES OWED BY AUTOMOBILE MANUFACTURER

Question No. 25—**Mr. McCutcheon:**

1. Did any automobile manufacturers in Canada cease production operations in or about January to April, 1966, and, if so, which ones?

2. Was any one of said manufacturers indebted to the crown in customs duties, as described in the Auditor General's report for 1966, page 64, such indebtedness having arisen because of the importation into Canada of Volkswagen automobiles?

3. Was any demand for payment sent by the government to any such manufacturer and, if not, for what reason?

4. Is any such manufacturer being allowed to retain $4.2 million stated by the Auditor General as being owing to the government of Canada as a result of discussions under the Canadian-American automobile agreement and, if so, on what grounds?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): 1. Yes, Studebaker of Canada Limited, Hamilton.

2. No.

3. Answered by 2.

4. This matter, which involves more than one manufacturer and not the company referred to in 1, is presently receiving attention, and no final decision as to its disposition has as yet been reached.

PAUL GAGNÉ—EMPLOYMENT AT CANADIAN PAVILION AT EXPO

Question No. 27—**Mr. Howard:**

1. Since January 1, 1966, was Paul Gagné employed to work at the Canadian pavilion at Expo '67?

2. If so, was Paul Gagné released from his employment for the reason that he had been charged with an infraction of the Canada Shipping Act as a result of participating in the so-called march on Ottawa while he was a member of the S.I.U.?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. Paul Gagné was never an employee of the Canadian government participation, 1967 exhibition.

2. Not applicable.

DIRECT HOUSING LOANS TO BUILDERS

Question No. 31—**Mr. Laprise:**

Under the C.M.H.C. program providing loans to merchant builders for 20,000 houses (a) how many requests were received from each province (b) how many loans were granted in each province and for what sum?

Hon. J. R. Nicholson (Minister of Labour): The program for direct loans for up to 20,000 new dwelling units, announced on January 30, 1967, related to loans under section 40 of the National Housing Act to be made between April 1 and May 31 inclusive. The data following show the volume of activity to May 5.

APPLICATIONS RECEIVED AND LOANS APPROVED FOR NEW HOUSING UNDER THE NATIONAL HOUSING ACT, SECTION 40
MARCH 1, TO MAY 5, 1967

Province	Applications Received	Loans Approved		
	Units	No. of Loans	No. of Units	Amount ($000)
Newfoundland	188	42	232	2,944
Prince Edward Island	5	5	5	5
Nova Scotia	185	84	107	1,476
New Brunswick	97	59	63	869
Quebec	5,324	2,571	2,925	40,240
Ontario	5,939	4,187	4,193	71,182
Manitoba	754	449	480	7,712
Saskatchewan	743	420	475	6,281
Alberta	2,187	1,363	1,425	21,598
British Columbia	2,759	1,647	1,946	28,930
North West Territories	1	1	1	15
Yukon Territory	1	1	1	18
Canada	18,183	10,829	11,853	181,020

Questions

YOUNG OFFENDERS PENAL INSTITUTION, SPRINGHILL, N.S.

Question No. 35—**Mr. Coates:**

1. What is the estimated number of inmates that will be housed at the young offenders penal institution at Springhill, and on what date will the institution have its expected population?

2. How many employees will be located at the young offenders penal institution, Springhill, and what will be the estimated payroll?

Hon. L. T. Pennell (Solicitor General): 1. The young offenders penal institution at Springhill is designed for a maximum of 467 inmates. It is not possible to specify the exact date by which this institution will have its expected population as inmates will be phased in over approximately a two year period commencing with the admission of the first inmates in September of this year.

2. The estimated number of employees to be located at the young offenders institution, Springhill, when fully phased in, will be 241 and the estimated annual payroll, based on recent salary increases, will be $1,500,000.

SUBSIDY TO TRANSAIR LTD.

Question No. 44—**Mr. Rapp:**

1. Has the government of Canada agreed or arranged to pay a subsidy to TransAir Ltd. for the purpose of supporting the provision of air services in the prairie provinces?

2. If so, what routes of TransAir Ltd. are covered by the subsidy?

3. What is the basis for the computation of the subsidy?

4. On what date did the payment of subsidy commence?

5. How much money has been paid to TransAir Ltd., month by month, since the commencement of the subsidy?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The Air Transport Board advises as follows: 1. The government of Canada has authorized payment of a subsidy to TransAir Limited on a temporary basis for such time as is required for the Air Transport Board to hold a public hearing and determine the future operation of air services in the prairie provinces.

2. The routes involved service the points Winnipeg, Brandon, Dauphin, Regina, Yorkton, Saskatoon and Prince Albert.

3. The amount of subsidy is the equivalent of the shortfall between monthly revenues and monthly costs of up to but not exceeding $67,200 per month.

4. April 16, 1966.

[Mr. Nicholson.]

5. 1966—	April 16—May 31	$ 57,000
	June	35,000
	July	39,000
	August	41,313
	September	25,573
	October	32,893
	November	24,077
	December	27,827
1967—	January	$ 24,827
	February	24,671
	March	23,516
		$355,697

COST OF ICEBREAKING OPERATIONS

Question No. 54—**Mr. McCleave:**

1. How much did ice-breaking operations cost in each of the last five years?

2. How much of such cost, each year, was spent on ice-breaking (a) on the St. Lawrence river (b) in the gulf of St. Lawrence?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. 1962, $3,492,000; 1963, $4,037,000; 1964, $4,250,000; 1965, $4,371,000; 1966, $4,299,000.

2. (a) 1962, $545,000; 1963, $922,000; 1964, $1,006,000; 1965, $785,000; 1966, $684,000; (b) 1962, $1,394,000; 1963, $1,384,000; 1964, $1,608,000; 1965, $1,545,000; 1966, $2,157,000.

The above figures are based on Quebec city being taken as the dividing line between the gulf and the river.

* CULTURAL AGREEMENTS WITH FOREIGN COUNTRIES

Question No. 60—**Mr. Diefenbaker:**

1. How many cultural agreements with foreign nations have been signed by the federal government in the last two years?

2. With which countries were said agreements made?

3. Within the same period have any cultural agreements been entered into by provincial governments with other countries and, if so, by which provinces and with what countries?

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): 1. Two.

2. France—on November 17, 1965; Belgium —on May 8, 1967.

3. An exchange of letters between France and Canada, which is included as part of the agreement of November 17, 1965, enables the Canadian provinces to make ententes with

France, within the framework provided by the general agreement and the exchange of letters, in accordance with the procedures indicated in those letters. Accordingly the government of Quebec signed a cultural entente with France on November 24, 1965 which was accompanied by an exchange of letters of the same date between the French ambassador in Ottawa and the Secretary of State for External Affairs.

TENDERS FOR CONSTRUCTION OF COAST GUARD WORK BOAT

Question No. 71—**Mr. Crouse:**

1. Were tenders called by the Department of Transport for the construction of a work boat for the Canadian Coast Guard, open to shipbuilding firms in the Atlantic provinces?

2. What are the names of the companies who tendered on this 67-foot steel ship and what were the amounts of their bids?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. Kingston Shipyards, Kingston, Ontario; with Cummins H.R.S. 6M/Twin Disc propulsion, $323,792.00; with Rolls Royce C6NFLM/Capital propulsion, $321,328.00; with Cummins N.H. 250M/Twin Disc propulsion, $321,-094.00; with Cummins N.H. 220M/Twin Disc propulsion, $320,429.00.

Erieau Shipbuilding & Dry Dock Co. Ltd., Erieau, Ontario; with Cummins N.H. 220M/Twin Disc propulsion $325,056.46; with Rolls Royce C6NFLM/Capital propulsion, $325,-639.98; with Cummins N.H. 250M/Twin Disc propulsion, $326,165.26; with Cummins H.R.S. 6M/Twin Disc propulsion, $328,618.06.

Canadian Dredge & Dock Co. Ltd., Toronto, Ontario; with Cummins N.H. 220 or N.H. 250/Twin Disc propulsion, $381,920.00; with Cummins H.R.S. 6M/Twin Disc propulsion, $385,-280.00; with Caterpillar D333/Twin Disc propulsion, $376,680.00; with Rolls Royce C6NFLM/Capital propulsion, $376,680.00.

*REMOVAL OF SALES TAX ON DRUGS

Question No. 73—**Mr. Enns:**

Will the government consider immediate steps to withdraw the 12 per cent sales tax on drugs in keeping with one of several recommendations of the special committee on drug costs and prices in its study of the high cost of drugs?

[*Translation*]

Hon. Jean Chrétien (Member of the Administration): It was stated by the Minister of Finance on April 4, 1967 (*Hansard*, page 14485) that it would be the intention of the government to proceed to remove the sales tax on drugs as part of an over-all effort to reduce the price of drugs.

[*English*]

PAYMENTS OF INTEREST AND DIVIDENDS BETWEEN CANADA AND U.S.

Question No. 105—**Mr. Mather:**

What, in dollars, was the excess of payments of interest and dividends from Canada to the U.S. over receipts of interest and dividends in the years 1960, 1964 and 1966?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): The excess in Canadian funds of payments of interest and dividends from Canada to the United States, net of withholding tax, over receipts of interest and dividends, in 1960, 1964 and 1966 were as follows:

	(millions of dollars)
1960	437
1964	660
1966	822

UNITED NATIONS

REQUEST FOR LATER CONSIDERATION OF SECURITY COUNCIL MEETING

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, before I ask a question I want to say, on a question of privilege, that the report in the Ottawa *Journal* of this afternoon's date which purports to set out in detail what took place between the Prime Minister and, to speak of myself, the Leader of the Opposition, is not in accordance with the facts.

I now ask the Prime Minister, in view of the fact that there will be a meeting of the security council this afternoon at 3 p.m. at which time the various matters which require to be dealt with in the very perilous world situation of today will be discussed, whether the Prime Minister would give consideration to making it possible, with the consent of the house, to revert to questions after the meeting of the security council. I think it may very well be that as a result of the meeting this afternoon a number of questions that might be asked now could then be clarified, and the answers would not be hypothetical but would be based on actual facts.

Right Hon. L. B. Pearson (Prime Minister): So far the report in the local paper to which my right hon. friend refers has not reached me and I have not seen it, so I do not know

what it is about. However, I can assure him that the Secretary of State for External Affairs and I have regarded our meeting this morning as strictly confidential and have said nothing about it.

Mr. Diefenbaker: I refused to say anything about that meeting.

Mr. Pearson: I not only refuse to say anything, I have not been asked by anybody to say anything. I believe that extends to the minister for external affairs. There has been no reference of any kind from us, even to the fact that we had a meeting, which should, in itself, be sufficiently innocuous.

The suggestion made by my right hon. friend is, I think, a very constructive one in the circumstances in which we find ourselves at the moment regarding a very dangerous situation. I do not know how long the security council will be in session, but we would be very glad when they finish the session and our ambassador reports to us to revert to questions so the right hon. gentleman and any other member who would like to ask questions about what happened there, or on other matters related to that meeting, can be given answers.

Mr. T. C. Douglas (Burnaby-Coquitlam): I think it would probably meet the wishes of all members if we could have the question period postponed until later in the day when we may know something about the security council meeting. However, it seems to me if the Prime Minister is prepared to make a statement at this time regarding the position the Canadian representative at the security council is taking, this would probably meet the wishes of hon. members and would be helpful in indicating the attitude we are taking with respect to the Middle Eastern crisis that is now upon us. These are statements which are bound to be public knowledge in the matter of the next few hours anyway, and I think members have a right to know what is the government's position.

Mr. Pearson: Well, Mr. Speaker, I do not see any reason why it would not be proper at this moment to say that our representative at the security council has been instructed to make a short statement supporting the efforts of the Secretary General to persuade both sides to show moderation and restraint, and to gain time. Naturally I cannot go into the details of his statement, but there will be a short statement along those lines. We hope it will be helpful. I cannot say anything beyond that because the discussion may develop in such a way that he would have to make a supplementary statement.

Mr. Douglas: I have a supplementary question which the Prime Minister can answer later if he so desires. All of us will agree, no doubt, that the important thing at the moment is to gain time in the hope that cooler heads on both sides will prevail. However, is the government keeping in mind that ultimately the United Nations will have to deal with the question of free access to the gulf of Aqaba, which will really be the nub of the whole question if peace is to be maintained in the Middle East?

Mr. Pearson: There are very important elements in this problem, and my friend has mentioned one, which must be settled if this crisis is to be ended in a way satisfactory to both sides.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I agree with the Prime Minister, who wishes to avoid questions and answers at this time, in view of the very important meeting of the security council which will take place at the United Nations at three o'clock this afternoon.

Now, as to our own concerns here in Canada, could the Prime Minister confirm or deny the rumour that Kuwait and the United Arab Republic have decided to close their pavilions at Expo in Montreal? Is the Prime Minister aware of this?

[*English*]

Mr. Pearson: I have no information which would confirm that rumour, Mr. Speaker, which has not come to me. If that step has been taken, and I hope it will not be taken, I have not received the report. I have had a report that the Sultanate of Kuwait has closed its pavilion, but I have no information whatever of any other government having even considered closing its pavilion at Expo. I can only express the hope that this will not happen. Even in respect of Kuwait the report I have received is not official.

EXTERNAL AFFAIRS

NIGERIA—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I was wondering whether it was the decision of the house to continue with the question period at this time or return to it.

later. If we are going to continue we will participate; otherwise we will withhold our questions until later in the day.

Mr. Speaker: Is it the wish of the house that the question period be delayed and that I call orders of the day at this point?

Mr. Pearson: Mr. Speaker, there may be questions on other subjects which we could deal with now.

Mr. Patterson: Then I should like to ask the Secretary of State for External Affairs whether he has any information to give the house regarding the critical situation which has developed in Nigeria.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, two important political developments took place in Nigeria over the week end. The consultative assembly of Eastern Nigeria gave its military governor a mandate to declare independence, and the head of the federal military government declared a state of emergency and issued a decree altering the federal structure of the country from four regions to 12 provinces.

The hon. member will appreciate that it would not be appropriate to discuss in detail the domestic difficulties which Nigeria is currently experiencing. I should like to say to him, however, that we continue to watch events in this commonwealth country closely, and we hope the leaders, both military and civilian, of this fellow commonwealth country will succeed in working out a peaceful settlement of their difficulties.

BANKRUPTCY

REQUEST FOR CONSIDERATION BY ROYAL COMMISSION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Registrar General of Canada. In view of the growing fraudulent bankruptcy racket in Canada, and the statement made by Commissioner McClellan of the Royal Canadian Mounted Police some time ago that the underworld is on the verge of controlling all sections of our economy, has the government given consideration to the request by the Canadian Lumbermen's Association and other organizations for a royal commission to investigate all aspects of bankruptcy in Canada?

Hon. John N. Turner (Registrar General): Mr. Speaker, I want to thank the hon. member for having sent me, with his usual courtesy, a typewritten notice of his question. While I have read with great interest the very good brief of the Canadian Lumbermen's Association, as indicated about one year ago in the house, there is a three man committee currently studying an over-all revision of the bankruptcy law. We have reinforced the administrative procedures by appointing regional officers at various centres across the country, and the superintendent of bankruptcy has been in touch with certain provincial attorneys general with regard to achieving a stricter enforcement of prosecutions for criminal fraudulent practices.

Mr. Herridge: A supplementary question. Would the minister inform the house whether the report of this committee dealing with bankruptcy will be referred to an appropriate committee of the house where the organizations particularly interested can also make representations?

Mr. Turner: Mr. Speaker, I will consider that suggestion, but I take it the hon. member does not believe that the underworld ought to be represented.

ECONOMIC COUNCIL

APPOINTMENT OF CHAIRMAN AS PRINCIPAL OF QUEEN'S UNIVERSITY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the Prime Minister. Will the announcement that Dr. Deutsch will be assuming the principalship of Queen's University in September, 1968 have any effect on his present position as chairman of the economic council in the meantime?

Mr. Speaker: Order. I am just wondering whether this question is of sufficient urgency to be asked at this time.

NATIONAL DEFENCE

RELEASE OF INFORMATION RESPECTING NEW UNIFORM

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 defence and ask him whether the decision to unveil the green uniform at this time was a cabinet decision, and why was so inappropriate a time selected, when our armed forces engaged in peace keeping operations are being driven out? Why was this time chosen to commit a very provocative action on his part?

Inquiries of the Ministry

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, the decision to release the information about the uniform was taken, I think, several weeks ago following the passage through this house of the armed forces unification bill. This is a complicated process, because throughout we have tried to give the information to all our troops simultaneously, preferably before that information was released to the news media. That this is difficult to accomplish my right hon. friend is well aware. The distribution of information kits to our units throughout the world was a complicated process and took a number of weeks to accomplish, and a date was chosen by which we thought we could co-ordinate all our actions and make the information available to the news media. By coincidence today's date was chosen.

At the same time I wish to say that our United Nations contingent has served Canada faithfully and well and I regret the slur which my right hon. friend cast on this kind of operation this afternoon.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I rise on a question of privilege. The statement made is in keeping with the size of the Minister of National Defence. It was a cheap statement from a minister noted in that regard.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. Perhaps the house might consider going on to another question.

CANADIAN BROADCASTING CORPORATION

TABLING OF DETAILS OF AGREEMENT WITH U.S.S.R.

On the orders of the day:

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, some days ago the right hon. Leader of the Opposition asked for details of the recent agreement signed between the Canadian Broadcasting Corporation and the U.S.S.R. council of ministers committee for radio and television broadcasting. I have now received from the corporation a summary of this agreement, and if I might have the permission of the house I shall table copies of that two page summary in English and in French.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Would it be possible to have that printed as an appendix to the proceedings of the day?

[Mr. Diefenbaker.]

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

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

REPORTED VIOLATION OF ELECTION BROADCASTING REGULATIONS

On the orders of the day:

Mr. Heath Macquarrie (Queens): My question is for the Secretary of State and deals with the subject of political broadcasts, which under the Canada Elections Act are forbidden during the two days prior to an election. Has the minister been advised that at noon last Saturday the C.B.C. carried a nation's business speech on behalf of one of the national parties, the candidates of which are engaged in today's by-election? If so, has the Secretary of State received from the C.B.C. any explanation for this apparent breach of law and practice?

Hon. Judy V. LaMarsh (Secretary of State): No, Mr. Speaker. This is the first time I have heard of this matter. I should be glad if my hon. friend would permit me to take his question as notice. I am sure that the B.B.G. at least will be interested.

FINANCE

MERCANTILE BANK—REPORTED INTENTION NOT TO COMPLY WITH BANK ACT

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): I had intended addressing my question to the Minister of Finance, but since he has left the chamber I might address it to the Minister without Portfolio. The question is based on a report appearing in a periodical this month to the effect that the owners of the Mercantile Bank of Canada have announced that they will not comply with the law as enacted in the Bank Act. Has the Minister of Finance any comment to make on this?

Hon. Jean Chrétien (Member of the Administration): I shall take the question as notice, Mr. Speaker.

COAL

INQUIRY AS TO FREIGHT RATES ON SHIPMENTS TO JAPAN

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): My question is addressed to the Minister of Transport.

I hope he can now answer the question respecting coal shipments from the Crowsnest pass to the west coast destined for Japan. When the minister was asked this question last Tuesday he begged to be excused, saying he had had little notice that it would be asked. Is he now able to tell us the freight charges that were agreed on between the Coleman mine in Alberta and the Canadian Pacific? Also, will that agreed freight rate be confined solely to the Coleman mine or will it be applicable to others shipping from the Crowsnest pass?

Hon. J. W. Pickersgill (Minister of Transport): I wonder if I might answer that question, if it would be convenient, later when we get into my estimates. A detailed explanation is required, and I should be prepared to give it at that time.

Mr. Eldon M. Woolliams (Bow River): A supplementary question, Mr. Speaker. When the minister speaks later this afternoon on his estimates could he provide those details that he has been promising me for some weeks about the rail links from Michel, British Columbia, to some point on the Great Northern Railway system in reference to the transportation of coal? May we have a full statement at that time?

FISHERIES

BRITISH COLUMBIA—RENEWAL OF STELLAKO RIVER LOG DRIVE

On the orders of the day:

Mr. Barry Mather (New Westminster): May I direct a question to the Minister of Fisheries. A few days ago he announced that he hoped to make a statement today about the exchanges between the government of Canada and the government of British Columbia having to do with the Stellako river log run. Could the minister make that statement today?

Mr. Speaker: Order. The minister could not do this without unanimous consent to revert to motions. Is that the desire of the house?

An hon. Member: No.

PUBLIC WORKS

HAZELTON, B.C.—REQUEST FOR FEDERAL ACTION

On the orders of the day:

Mr. Frank Howard (Skeena): I wish to direct my question to the Minister of Public Works. In the light of his government's philosophy of priming the pump to stimulate the economy, would he not consider looking at the situation around Hazelton, British Columbia and doing some pump priming in that area?

Mr. Speaker: Order. This question, in another form perhaps, could be placed on the order paper.

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING POSSIBLE RETURN TO ORAL QUESTIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if there could be an understanding about arrangements for returning to questions later this day. Is the time to be fixed now, or will reasonable notice be given in order that all members may be sure to be here?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is rather difficult to answer the question because these discussions may well go on all day, and it may not be possible to deal with the resolutions of this meeting until the opening of the session tomorrow at the regular question time. If we get any indication that the meeting is over and is not to be resumed later in the day perhaps we could get in touch with the house leaders and with Mr. Speaker and some procedure could be arranged so hon. members may be informed when we go back to questions.

SUPPLY

DEPARTMENT OF TRANSPORT

The house in committee of supply, Mr. Batten in the chair.

1. Departmental administration, $6,655,700.

The Chairman: Order, please. House again in committee of supply, Department of Transport, vote No. 1. This vote is to be found on page 504 of the blue book, with the details on page 510. Shall vote No. 1 carry?

Mr. Nugent: Mr. Chairman, on Friday I had started talking about air transport in Canada. Without repeating, it is crucial to remember that today in Canada we suffer from poor air service. The Canadian air lines, and particularly Air Canada, grossly underestimated the future volume of air traffic. The service we have in this country can now be roundly criticized, and especially that service provided in the west.

The main policy objective of the government was to make sure that Air Canada had enough business to finance its operations; that is, to buy good airplanes and provide good service. The determination to strengthen Air Canada, which was the government's main objective, ought not to have been the end at which the policy was aimed. That end ought to have been the provision of adequate services across Canada.

• (3:10 p.m.)

I contend we must provide for more competition throughout the country. When Canadian Pacific Airlines were given certain rights to fly across Canada I felt it was a move in the right direction, but I believe we are still unduly restricting C.P.A. in its operations. I am sure many hon. members are not aware that when Air Canada is given the right to serve a centre it is given the option of choosing the number of flights it will put on, times of departure and so on. Canadian Pacific Airlines, on the other hand, is given only the right to serve a certain city with a certain flight at a certain time; it cannot make any changes without the approval of the Air Transport Board. This is a situation which must be radically changed if we are to have a better air service across Canada.

This whole question will become further complicated as larger aircraft are introduced in the years immediately ahead. Very soon these bigger airplanes will be in service and scheduling will become more difficult; complicated adjustments will need to be made. Next year Air Canada will be receiving numbers of the elongated DC-8's which I understand will hold about 190 passengers. Obviously fewer flights will be needed to handle an equal number of passengers. Very soon the jumbo jets and the large jet-prop airplanes will be coming into service; I believe some of the air lines are already ordering planes which will hold 450 passengers. If we leave provision for air service in Canada in the hands of Air Canada alone it is my belief we shall end up once again with insufficient facilities.

It seems to me that one of the big advantages of competition in the modern world is that those who have invested their money in a business and made a study of it in order to reap a profit are those who will be most willing to work hard, take risks and look into the future as far as possible in a desire to give service to the public. They do this knowing that if they fail they are not likely to make any money.

[Mr. Nugent.]

Up to the present time, as far as competition is concerned, Air Canada has not had much to worry about. An excellent air line has been built up, but very little service has been provided. Let us change the criteria and put service first. I would remind hon. members that when T.W.A. wanted to start an air bus service from Edmonton to Calgary, Air Canada objected on the ground that it would lessen the number of passengers usually carried by them from Calgary and result in lower revenue; they could not stand the financial loss.

The fact remains that this air bus service did provide a facility which Air Canada was not giving and did not wish to give. What happened was that the T.W.A. air bus created new business. Air Canada lost little Edmonton-Calgary traffic, but businessmen now enjoy a good service from the centre of Edmonton to Calgary—six flights each way every day—and this has not affected T.C.A., as it then was, in the manner predicted by that company.

Broader competition would not only create new business, it would mean better service to the public as the result of an improved response to the needs of the people. Moreover, I claim it would not cripple Air Canada financially. At the present time Air Canada is making a tremendous profit, yet we in the west cannot get the air service we need. We know from experience that if this responsibility is left to one government agency only, the needs of the public are not put first; the daring and the imagination which are necessary are not displayed.

I believe T.W.A. wishes to start an air bus service from Edmonton to the west coast. I know the people of Edmonton want better service both to the west coast and to eastern Canada. In my opinion C.P.A. should be willing to make Edmonton a stopping point on its trans-Canada route, and should be given the right to do so in order to provide a truly trans-Canadian service on its route from Vancouver to the east coast. Canada is big enough for it, and the business is there.

I referred a few moments ago to plans for the introduction of larger aircraft on most of our commercial routes. I hope the Department of Transport is aware that many of our existing facilities will be outdated when these extra large aircraft come into service. At present the DC-8 carrying 120 passengers is the largest plane that can be handled at all adequately, and even so the service is not always efficient. Next year we expect the DC-9 to be

introduced, and it will not be long before the air lines are using planes capable of discharging a trainload of passengers at one time.

I trust the department will respond to the difficulty which this will create, and that airport managements are in consultation with the air lines to prepare the necessary facilities and methods of handling which must be introduced if the new aircraft are to be feasible. Time is short. In another two or three years the superjets should be here.

When there are jet planes capable of flying from Edmonton to Toronto in a little more than three hours I cannot understand why it should be necessary for passengers to wait half an hour to get their baggage. To say the least it must be frustrating to the air lines, which have provided fast airplanes to get passengers more quickly to their destinations. I suggest that the concept of transportation from office to office or home to home should replace the existing concept based on time spent between one airport and another. Passengers must be conveyed not from city to city but from their homes or offices to their destinations, and this involves the prompt handling of baggage and the solution of local traffic problems.

I hope the department is giving consideration to this aspect of air travel. We have not heard a word about it so far, and perhaps the minister can tell us whether there is any special study group within his department currently looking into these questions.

I hope too, the minister will tell us whether there is any possibility of further competition on these air routes. I point out that this centennial year is one in which our shortage of airplanes shows up most clearly because of the pressure of Expo in Montreal. It is virtually impossible to get reservations for Montreal unless one makes them many weeks in advance. This is precisely the impetus which private carriers need so they may begin operations with a chance of showing a profit large enough to justify heavy expenditures in the future. I hope a decision to increase the amount of competition will be made now. It makes sense to take this step right away rather than wait until a peak year has gone by. I hope the minister will give his approval to this suggestion when he comes to reply.

Mr. McIntosh: I rise principally because I have a specific point to make on the subject of air transport. I wish to support the plea the hon. member for Edmonton-Strathcona has made, though I have reservations with regard to one of his statements. He said the air service which is required is not available. I am more concerned with the points where there is no air service at all.

• (3:20 p.m.)

Before I support the hon. member who has just taken his seat I should like to raise my specific point, which has to do with part of my constituency. I have in mind the government's policy of assistance to small airstrips and so on. These small airstrips are numerous throughout western Canada because of necessity and because there is very poor service from Air Canada. I will not go into that at the present time. I should like, however, to ask the minister whether his board would reconsider a decision made in respect of one particular point. I imagine the same type of decision has been made in respect of other applications which have been before the board concerning financial help to an airstrip.

In this case I am speaking of the airstrip at Maple Creek. Recently an application was made for a federal grant so that improvements could be made in the facilities there. The policy of the government has been to give assistance in respect of these airstrips. The town council had been encouraged to believe that the Department of Transport would favourably consider its application. This was not the case, because last week the application was turned down. The reason given was insufficient utilization.

I should like to ask how an airstrip can be utilized if it is not safe for a plane to land on it. I believe this is a very foolish decision for any official in the minister's department to make concerning assistance to this airstrip. It has been pointed out that the airstrip cannot be licensed because it is in terrible condition. Both runways are short, and a washout exists along one landing strip. It has been pointed out further that this airstrip, which is being used in a limited way at the present time, is not safe for planes to land on, and that there could be a fatality there if the location of the airstrip is not changed. In this particular case the municipality have another location for the airstrip if they can obtain assistance from the government.

I could go on talking about transportation on the prairies. Rail transportation has been taken away from us, air transportation has been taken away from us, and the only transportation we have left is by highway and by private plane. Because of the need to have

airstrips for private planes, that form of transportation is limited. Without making a formal request I should like to ask the minister whether he would prevail upon his board to reconsider this and other similar applications which have been turned down. It has been pointed out that in the case of small communities our friends across the border have taken a longer view than has been taken by our Department of Transport with regard to these municipalities which wish to maintain their own airstrips.

With regard to air service generally I do not wish to go over the arguments put forward by the hon. member for Edmonton-Strathcona when he spoke on this issue on Friday, but I should like to point out to the minister that his arguments appeared quite valid. He deplored the decision the government made in respect of the application of another carrier—C.P.A., I believe—for landing rights at certain air fields and the privilege of picking up passengers. The reason, put forward by the government, and possibly by some members on this side at that time, for the monopoly for Air Canada was that it did not want the balance sheet to show in the red.

So far as this type of transportation is concerned, I feel more stress should be put on the service end than on the profit end of a crown corporation. I should like to draw the minister's attention to an article in the Ottawa *Journal* of Saturday May 27. The heading is "Ottawa Flights—Air Canada Booked Heavily for Summer". The article starts out in this way:

> If you're planning a business or pleasure trip with Air Canada, don't start packing your flight bag too quickly.
>
> The tourist season hasn't officially started and many flights to and from the capital already are booked solid until September.

It continues in part as follows:

> —unless passengers have reservations well in advance, the possibility of getting a seat on any flight is "slim".

Many members have found this to be correct. The article continues:

> Air Canada's advice is: if you are planning a trip in July or August call now for a reservation.

I cannot see the sense in that. Why would one call now for a reservation in July or August if they are booked solidly until September.

Mr. Pickersgill: Some of the reservations may be cancelled.

[Mr. McIntosh.]

Mr. McIntosh: It says:

> Even the short-run flights between Ottawa and Montreal and Toronto have been carrying capacity loads. Traffic to Toronto, in particular, has been "very, very heavy", according to Air Canada's reservations manager.

I know that just today some other members as well as myself tried to get a return flight from our constituency back to Ottawa. We got as far as Toronto and were stranded there.

Mr. Smith: Couldn't be stranded in a better place.

Mr. McIntosh: This shows the consideration some Ontario members have for those who come from distances. I am sorry to say that the hon. member who made the interjection appears to be of my party. This has been his attitude for a very long time. Therefore all the blame cannot be put on the minister. However, other members have the same complaint.

As the hon. member for Edmonton-Strathcona pointed out, it is the government's own fault. I should like to repeat some of the things he said. He blamed the present government for allowing the air service to get into the condition it is in. I think the crux of the problem is that the government has not caught up with what is happening in respect of air service. So far as the government is concerned I believe the forward planning has been nil.

With the advent of Expo I can understand that reservations may have been heavier than would normally be expected. However, disregarding the extra loads or extra reservations required because of Expo, I believe the air policy of the present government is not up to date. With the possibility of the house closing at the end of June I know many members here, not from Ontario and Quebec, will have difficulty in getting home and getting their families home. The minister is smiling. I know he does not have that problem, because he can always order a Department of Transport plane to get where he wants to go.

Mr. Pickersgill: If the hon. gentleman would allow me to interrupt, I might say that if he and some of his friends would like to make a reservation with my air line I might be able to help them a bit.

Mr. McIntosh: As I said when I started out, my particular complaint is not on my own behalf. I am using these arguments to further my point. So far as the Department of Transport is concerned I think the air policy should start at the bottom in respect of these

small airstrips, which are necessary to feed the other carriers and Air Canada. They are necessities. I know the minister has said that we have a policy to assist these small airstrips, but what good is it if it is not to be implemented, and if we receive foolish replies such as the fact that there is insufficient utilization. We cannot argue with that; the statement is correct. The airstrip is not being utilized because it cannot be used. It is dangerous to use it. That was the original reason for the application. I am not sure that this is the regular bureaucratic answer, but so far as I am concerned it is a stupid one. The whole question of air services should be reviewed by the minister. He should also pay attention to the request put forward by the hon. member for Edmonton-Strathcona.

• (3:30 p.m.)

Air Canada now has more passenger traffic than it can handle. As the hon. member for Timmins suggested, we cannot complain about the lack of passenger space to the employees of Air Canada behind the counters at air terminals. They are very courteous and do everything they can to help, but if seats are not available on aircraft there is not much point in complaining to those individuals. In any event, as this newspaper article states, if you are planning a business or pleasure trip via Air Canada do not start packing your flight bag too quickly.

Much of our railway passenger service has been discarded apparently because the service was not being utilized. A sufficient number of planes to handle air traffic is not available and it would seem there is some difficulty in obtaining aircraft. However, other air carriers have indicated that they can provide service, and I think now is the time to abolish the monopoly position enjoyed by Air Canada. Air Canada is now operating at a profit. I suggest it is not necessary for a crown corporation to make a profit and that service should be the first consideration. Perhaps there should be competitive rates, but this is the time for the government to give some consideration to the possibility of allowing competitive lines to operate in this field, particularly in bottleneck areas like Ottawa where one cannot always get transportation in or out. If Air Canada cannot handle the traffic, let someone who says they can enter the field and compete for the extra business. It has been established that Air Canada has as much traffic as it can handle at the present time. As suggested by the hon. member for Edmonton-Strathcona, the entire service should be thrown open to competition, not only the service in places like Ottawa and Edmonton.

The minister professes to believe in free enterprise. If that is so, now that this crown corporation, Air Canada, has been looked after and is operating at a profit, perhaps we should allow free enterprise to provide service. I am sure that such service would be the best and cheapest available. The minister should give this whole idea some consideration.

Before I resume my seat let me again say, regarding the specific case I have brought forward in respect of air service at Maple Creek, that the minister should make some commitment that the board will provide an answer why this application cannot be accepted rather than simply saying that there would be insufficient utilization. This application should be accepted and some assistance should be provided. Some aircraft are now flying into this area.

Let me give one example of why this service is necessary. The area served by the hospital is very large and a radiologist must go into the area weekly. Every time he lands his plane there, there is some danger so far as the hospital is concerned. He cannot get there in any other way except by car, which would take too much of his valuable time. The railway passenger service in this area has been curtailed by the actions of the minister.

Mr. Pickersgill: I protest.

Mr. McIntosh: Go ahead and protest. I still make the statement. You did not give us any assistance when we tried to maintain the system we had. You concurred with the suggestion that the railway companies should be allowed to abandon rail passenger service. As a result you are at least partly responsible for the predicament we now face in respect of transportation in Canada. The minister has failed to bring forward plans for air service and has allowed the reduction of passenger service on the railways. I cannot say too much in respect of highway facilities because the minister is not responsible in this regard, but so far as I am concerned the blame is on his shoulders. I make another plea to him to help us in this regard.

Mr. Herridge: Mr. Chairman, I wish to make a few brief observations without unnecessarily taking up the time of the committee. Of course you know I never do. But I have always been interested in transportation, having as a boy started out travelling by

Indian canoe, then by horseback and by steamers. As a matter of fact, I saw the first car in British Columbia in 1914. I have seen our transportation system develop over a period of more than 60 years.

On this occasion I shall stick pretty close to earth and leave astro-developments in respect of communications to those who are better equipped scientifically than I in this regard. I intend to deal with matters in respect of which I have some direct knowledge. Let me thank the minister and the officers of his headquarters and local areas for the prompt attention they have given to matters I have brought to their attention. I thank the minister for his detailed and complete replies to my inquiries. I appreciate this service because I know the minister is very busy and that he cannot write a three or four page letter overnight without a great deal of assistance from people who know something about the situation. The local staff in British Columbia have on occasion done a great deal to investigate certain circumstances in southeastern British Columbia.

I have been asked by the chambers of commerce and other organizations in my district to express the appreciation of the people of Kootenay West for the improvements that have been made over the years to the airport at Castlegar. Recently I had a cutting from a newspaper sent to me which indicates their appreciation, and I think it is only fair to compliment the government when it does something which is satisfactory to the people involved. The article states in part:

"Simply terrific" was the reaction of Castlegar and district chamber of commerce member Sam Muirhead to improvements in lighting at the airport.

This article appeared in the Castlegar *News* on May 8, 1967 under the headline "Airport Changes Are 'terrific' says Muirhead". The article continues as follows:

—installations have been made to improve night landing procedures and to better indicate traffic flow patterns on the runways.

These were in the form of a number of three million candle power lights—

Other improvements at the airport noted by Mr. Muirhead were improvements to certain runways, a new equipment garage and seeding of some of the grassed areas, a project which was completed late last week.

The article then deals with the intention of constructing a new terminal airport building in the near future. Perhaps I should mention that Mr. Muirhead is a very ardent supporter of our party, but he is a very fair person and wanted me to mention this fact because so far as the airport is concerned the minister and his department have done a very good job.

I cannot speak during our consideration of these estimates without making a passing reference to passenger service on the Kettle Valley line. I am sure the minister has heard about this situation both inside and outside the house, and I am sure he will hear more about it this afternoon, perhaps, from the hon. member for Medicine Hat.

We have all heard requests for the restoration of passenger service on the Kettle Valley line between Lethbridge and Vancouver. These requests have been endorsed by municipalities in southeastern British Columbia, chambers of commerce, farmers' institutions, women's institutions, the Canadian Legion and trade unions, particularly railroad union organizations. I do not know what the circumstances are at this time but I look forward to hearing from the minister, when he rises to answer the various questions put forward by members, just what the situation is in respect of the restoration of passenger service on the Kettle Valley line. These people are not asking for something out of the question. Perhaps we could have a dayliner with a sleeping car, a cafe car and a car to carry light baggage. I hope the minister will look into this situation and will give us a favourable answer.

Let me now refer to a matter of great interest to the people of southeastern British Columbia. It was referred to by another hon. member during our consideration of these estimates last Friday. I refer to the agreement with the C.P.R. to haul coal from the Crowsnest over a Canadian route.

• (3:40 p.m.)

I asked a question about this matter a few days ago. The minister replied that the C.P.R. has concluded an agreement with one company in the Crowsnest pass area. This matter is of considerable concern throughout British Columbia as a whole and particularly in the interior. I noticed these headlines in the *Financial Post* of May 13:

Ottawa facing a five-way dilemma in the "coal war".

Why Ottawa so involved in proposed railway line.

Kootenay & Elk line our newest railway?

Planning 70-mile long line, costing $14 million, to haul Rockies coal—and foil C.P.R.

When the minister deals with this question I hope he will give us an up to date report on what success he has had in maintaining contracts with the C.P.R. for the hauling of this

coal over the Canadian route and the continued employment of the people who will be directly affected.

I now come to a rather interesting subject having to do with some complaints of the rank and file in the Brotherhood of Railroad Trainmen in the Kootenays. These complaints do not come from their head office in Ottawa but from the workers on the railroad. They have taken up these matters with their regional officers and have not obtained any support from them in drawing their complaints to the attention of the Minister of Labour. I understand these questions are also receiving the attention of the Minister of Transport. Before going further I want to say that I know the hon. member for Kootenay East is very interested in these problems because I understand he had a meeting with the railroaders in Cranbrook on the very issue involved.

These are the complaints the railroad employees make at the present time. There is no patrol of the railway at night. I am speaking now of the Kettle Valley line which has on it some very dangerous spots. I have travelled over it a good many times and have seen a good portion of that road built during my lifetime in that part of the country. I repeat, Mr. Chairman, that there is no patrol in front of the freight trains at night. This is a very dangerous situation owing to the possibility of rock slides and things of that sort.

These people tell me there is no adequate safety equipment on the trains. The safety equipment, if it is to be used satisfactorily, should be placed at the head end and not at the rear end of a train possibly over half a mile long. There are no rest houses provided on the road. There is some dissatisfaction among the membership of the unions with respect to the directives issued as to statutory holidays. In this connection I have received some fairly strong letters from individual members of the unions. I know practically all these men, many of them senior conductors, younger brakemen and so on. I should say that I know practically all the crews that go out of Nelson east and west, except for those who have been employed only in the last year or two.

These people do not make complaints without consideration. In my opinion they are sound complaints which should receive the consideration of the Department of Transport, the Department of Labour and their own organizations in Ottawa. I have some of the letters here. I am not going to read them all. They gave me permission to use what would be considered unparliamentary language with respect to these circumstances in bringing them to the attention of the house. But, Mr. Chairman, I would not think of doing that with a lady member so close to my rear.

I wish to quote a letter received from the Brotherhood of Railroad Trainmen, British Columbia sub legislative board, R.R.1, Nelson, B.C. It is addressed to the hon. member for Kootenay West, the hon. member for Kootenay East, the hon. member for Okanagan-Revelstoke, and Mr. R. O. Jones. C.P.R. fireman, Cranbrook, B.C., who if I remember correctly ran as a Social Credit candidate in a provincial election at one time. That has nothing to do with this matter, because we all stand together on these questions. When I stand together with the hon. member for Kootenay East, Mr. Chairman, it has to be pretty strong glue that keeps us together. Anyway, I know that hon. member is very interested in these matters. This letter says:

> Further to a letter addressed to you by R. A. Hyssop, trainman on the C.P.R. from Nelson, B.C. and dated May 5, 1967 relative to the lack of adequate first-aid equipment on C.P.R. freight trains in particular.
>
> Mr. Hyssop's letter has the endorsation of Lodge No. 558, Brotherhood of Railroad Trainmen in Nelson, B.C., and it is my opinion that his letter is self-explanatory. He has documented an instance of a mishap he was involved in during the evening of January 16 last on the C.P.R. lines adjacent to the westerly shores of Lake Kootenay, where I might reiterate there is no other form of transportation media other than the railway. The highway is across on the easterly shore of this large lake.
>
> It will be of interest to note that a similar wreck happened in about the same area approximately a year to the day prior to this one listed; and at that time, Mr. J. C. Young, a C.P.R. engineer from Nelson was quite badly injured. Broken bones and so forth. On that occasion it took over seven hours to transport this man to Kootenay Lake General Hospital.
>
> There are no adequate first aid facilities on either engines or cabooses except for a very small pocket-size kit which might be O.K. for a minor cut finger or something of that nature.

I have personal knowledge in this regard because I have been on the trains. If anyone understands what railroading is like along the shores of Kootenay Lake he will realize that the possibility of rock slides and incidents of that sort is much greater than it is in many other places. The letter continues:

> At the time of the Young incident, I wrote our B.C. compensation board to enlist their aid in having proper and suitable equipment supplied. They replied that their jurisdiction fell short of requesting or ordering the C.P.R. to do anything of this nature. We had the sympathy of the board,

but inasmuch as their authority did not extend that far, we were stymied.

The matter of supplying stretchers on cabooses in freight service is on record in our many briefs written by our various legislative committees in our various railway brotherhoods. To date we do not have any.

I am reliably informed that there is a move on foot to bring this matter of safety under some kind of a joint federal and provincial co-operative structure whereby matters of this nature may be properly presented with the hope that pleas such as ours will be carefully considered and if necessary acted upon. Your support of such a proposal which I understand to be presently in the planning stages by some committee in the Ottawa House of Commons is earnestly solicited, and anything you gentlemen can do—

This is a very kind reference to the hon. members to whom the letter is addressed.

—to further this matter will be greatly appreciated not only by those unfortunate enough to be injured in wrecks, but also by those of us who never know from day to day when a calamity might occur whereby the presence of some adequate first-aid equipment, particularly stretchers, is an absolute necessity.

Thanking you, one and all, and with very best personal regards and all good wishes for the future, I remain

Yours very truly,
Fred H. Lowe,
Chairman,
Joint Legislative Committees,
International Railway Brotherhoods
in B.C.

Here we have the central local of the Kettle Valley line endorsing the action of the rank and file. They had some of their own union representatives there from Calgary, I think. These men simply did not understand the conditions under which the railroaders have to operate, and finally the railroaders just brushed them aside and said they would take rank and file action to get something done in this connection. There is nothing I enjoy more than fighting in a rebellion, within any movement and I am very pleased to bring these matters to the attention of the minister. I am a bit of a radical myself. I am sure that something will be done to correct this situation. I have been on that road many times; I have been in the engines and the cabooses. These men have every justification to complain about the situation that exists.

I have brought to the attention of the minister the fact that there is no patrol in front of the trains at night, and such patrols are particularly required. There is also the fact that no rest houses are provided, and there is some dissatisfaction with the company's interpretation of statutory holidays. I hope that as a result of consideration by the two departments in Ottawa with the union officials directly concerned this situation will be remedied. It seems to me it would be so inexpensive to remedy it. No large expenditures are required. All that is required is to admit the facts and provide the safety equipment, the rest houses and the necessary patrol.

[Mr. Herridge.]

• (3:50 p.m.)

I might indicate that one of the engineers told me that if a diesel engine goes off the track and is badly damaged the cost to the company is in the hundreds of thousands of dollars. They cannot understand why the company does not provide a patrol at night to protect the lives of their crews who are operating these trains.

I want to mention briefly that there is considerable concern throughout the district in respect of the closing of certain stations by the C.P.R. Unfortunately these stations are closed very often without the local people and organizations being informed of the reasons for the closing. In that connection I suggest that every effort be made to get the company and the officials of the minister's department to explain the circumstances, because it has been my experience that when it can be proven to the persons affected that to do so and so is not economic, generally speaking they are willing to accept the situation and adjust themselves to it. I suggest there should be more co-operation between the company and the communities affected. After all, many of these communities have used the facilities of the C.P.R. for up to 60 years and more.

There is another matter to which I should like to refer briefly, the railway grade crossing fund. The need for crossings is growing every year with the increase in population and the increased density of road traffic, and this has caused some concern in my constituency. Several municipalities there are considering utilizing the provisions under the railway grade crossing fund. I suggest to the minister that it would be a good idea for the officials of his department to visit these municipalities, examine the circumstances and advise them on how to proceed to take advantage of the legislation that is now in effect. One or two municipalities have made that suggestion to me.

Some time ago the city of Nelson made some tentative arrangements with the minister's department with respect to transferring to the federal government the ownership of certain property it held at the Castlegar airport in return for a grant for the building of

a much smaller airport at Nelson, B.C. I have not heard anything about that in recent months. When the minister speaks I wish he would tell the Committee—if he does not have time now perhaps he could let me know by correspondence—what the situation is at the present time with respect to the transfer of this land by the city of Nelson to the Castlegar airport committee with a view to getting a grant for the improvement of the present very small airport at Nelson.

There is a greatly increased need for smaller airports because of increased industrial development and the increased number of tourists. More and more small planes are coming in from various parts of the province and wanting to use small airports. Even in my own district in the Arrow lakes it is proposed now to build a small airport. Because many of the people concerned do not have much technical knowledge of what is required with respect to the site and location with relation to other surrounding circumstances, I suggest that the officials of the minister's department be prepared to give these smaller communities technical advice with respect to the location of small airports and their development and advice on how to proceed to obtain some assistance from the federal government in this connection. Generally speaking, whether it is federal or provincial legislation I think that the closer one can get to the people and the more one can get them to participate, the more successful one will be.

I suggest that the minister could well consider expanding the public relations branch of his department so that the communities, the farmers' organizations, chambers of commerce and unions are made aware of what the federal government intends to do in a certain area. There is nothing like getting co-operation on the basis of understanding and participation. I suggest that some of the minister's senior officials, without dealing with policy at all, would be well advised to address periodically a chamber of commerce, a trade union or a farmers' organization and outline what the federal government has in mind with respect to a certain development within a certain area. I put that forward as a suggestion.

I also made this suggestion in connection with the Canadian Broadcasting Corporation, and I am very pleased that senior officials of the C.B.C. have visited Trail, Rossland and other small communities to discuss the local circumstances with the people concerned. As a result these people know what the policy of the C.B.C. is with respect to matters relating to television, radio, relay stations and so on, and the officials understand better the reasons for which these people are seeking this or that. I do hope that suggestion will be given some consideration.

In conclusion I wish to speak about transportation research. I am all for it. We are living under changing circumstances. In my own short span of life, which I am hoping to prolong as long as possible, I have seen the development from very primitive forms of transportation to railways, highways, airways and so on. I think it is very necessary that research into transportation be undertaken in co-operation with the provincial governments, not necessarily into the technical side of transportation but so that the federal government will know what any provincial government has in mind with respect to the development of a certain industry, a certain resource, or possibly the development of the provinces highway policy. All of these should be related. Any money we can spend in that direction will be well spent indeed. I am simply suggesting that if a policy is going to be as effective as possible we should have the participation of the provincial governments and, wherever possible, the participation of the industries and organizations that are concerned with the development of a logical transportation policy to meet the needs of the future.

Mr. Byrne: Mr. Chairman, I should like to take a few moments to answer the questions raised by the hon. member for Kootenay West. I do not intend to deal with all the matters raised by him. However, first I should like to assure him that we do have a meeting of minds on quite a large number of matters, one specific difference being the question of socialism versus free enterprise. But in so far as our concern for our fellow man and the public generally is concerned we do agree on most matters.

It is true that I held a meeting with the employees of the Canadian Pacific Railway in Cranbrook a week ago last Thursday to discuss specifically the question of safety on that section of the railway with which the hon. member and I myself are familiar—along the west bank of Kootenay lake where no other mode of transportation is available and where the slide area is extensive. Of course there is an unusually large amount of freight passing over that line. The reason is that practically all the freight shipments from west Kootenay

to the coast are backhauled from Nelson to Cranbrook and up the Columbia valley to the main line.

• (4:00 p.m.)

Some time ago the Canadian Pacific Railway did remove the night patrol that had customarily patrolled that area several times during the hours when there are no sectionmen available on the track itself. There have been a number of accidents. The one to which the hon. member referred was a very serious accident and I am told that the injured lay for some five to seven hours before being transported to hospital. This is an intolerable situation and I have expressed my opinion to the Department of Labour, to the Board of Transport Commissioners and, of course, subsequently, to the Canadian Pacific Railway itself.

There is I think, some reason to believe that the officers of the union have done as much as they found possible. There is some measure of confusion at the moment about jurisdiction in respect of safety regulations on railways, that is, whether they come under the compensation board of the province or whether they are directly related to the Department of Transport. This matter is being clarified under our new Department of Labour safety and hygiene measure. I have arranged a meeting tomorrow with the legislative representative of the Brotherhood of Locomotive Engineers, at which time we will discuss the matter further and determine what action should be taken. I am sure the hon. member will realize that we consider this question to be a serious one and hope to have it cleared up in the near future.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I will only take a few minutes of the time of the house to bring two points to the attention of the minister, that is the air service and the C.N.R. passenger service in the area which concerns me.

First of all, let me congratulate the minister for his patience in listening to us and for the way in which he accepts our requests and our complaints. He always has a smile on his lips and I wish his acceptance was initiated by the companies involved, that is the crown corporations which do not seem to pay as much attention to our remarks and to our appeals as the minister does.

I think the crown corporations have somewhat too much latitude and that the minister lacks some authority over these corporations, because they do not want to fulfil their purpose of serving the public. In fact, if I understand the reason for creating these corporations, it is first and foremost to serve the public for, after all, the public is paying. Now, when we ask for a service, when we point out some weaknesses, they seem indifferent, they seem above these small details and these questions are put off or completely forgotten.

Mr. Chairman, I feel that the crown corporations are showing a lack of social conscience and that they are neglecting their duty, and when they come here and ask us to pay their deficit which is often due to their own inefficiency, I feel that the minister should have the authority to make them think or to rebuke strongly those officials who are not only unable to balance their budget, but who cannot make profits like other companies, such as the Canadian Pacific, for instance, which shows profits every year. I believe that if the officials of the Canadian National were as skilled and serious, we could get an adequate service and not call upon the taxpayers every year to replenish those crown corporations.

Mr. Chairman, this was not the main part of my remarks, but I wanted to draw the attention of the minister on that situation.

Now, I would like to call his attention to the matter of air transportation of passengers in my area, that is Lac Saint-Jean and more precisely Roberval. I do not know whether the minister is aware that we have a very small airport in Roberval. He nods to indicate that he knows; I think that he has already landed at this airport.

• (4:10 p.m.)

It is not a big city airport but we value what we have and I think that something could be done about that airport. At the present time, it is an asphalt strip which has been used for several years already but not regularly since 1960, and even Nordair Ltée which used it did not renew its contract last year.

On March 29, 1967, the newspaper *L'Étoile du Lac* published an article entitled "Nordair returns" after an interruption of almost four years in the passenger service. I am not talking about the commercial service, because it was possibly a little too profitable for Nordair, and that may have made it forget the passengers. Since its licence allowed the company to concentrate most of its business in Montreal, it followed in part the example of the C.N.R. in transferring everything to Montreal; all one can see now in the Roberval

area are Nordair planes flying north without stopping in the county of Roberval.

This is what Roland G. Lefrançois, president of Nordair Ltd. wrote:

> If the town of Roberval does not object, the Nordair Ltd. airline will re-establish its daily service between Roberval and Montreal. That is what the president of the company, Mr. Roland G. Lefrançois, has just announced in a letter to the airport committee of the Chamber of Commerce of the district.

Recalling that his company had provided such a service from 1956 to 1960, via Chibougamau, Quebec city, La Tuque and Chute des Passes, and that it had not proved very profitable precisely because small private companies like Nordair received no help from the governments in those areas.

> —and had to be discontinued in 1960, Mr. Lefrançois explained that a new policy of the Department of Transport now made it possible to re-establish the service—

Further on, it is written:

> After reminding that Nordair had all the facilities necessary for such a service in Roberval, Mr. Lefrançois observed that the undamaged part of the runway would be adequate for the planes which the company wanted to use.

Mr. Chairman, if we talk of sacrifice, I think the town of Roberval has done its share, since it had to pay over $300,000 to co-operate with the government and construct this runway.

As regards the present condition of the runway, it is easy to understand that an airstrip that has not been used every day, during four years, has deteriorated; in fact, it was somewhat damaged through bad weather, cold weather and frost and a complete sinking in of the strip is even to be feared. After so many sacrifices on the part of the company, the government and the town of Roberval, the government must not let that runway deteriorate any further.

Officials of the Department of Transport came to Roberval in March and promised to proceed with the necessary repairs in June or July. Last spring, the town of Roberval cleared up the airstrip by itself and took care of minor repairs, and we would like the Minister of Transport (Mr. Pickersgill), to draw that to the attention of the commission and refresh its memory about it, so as to have that part of the runway reconditioned since, at present, there is about one third of it which is damaged.

I would also ask the minister to intervene with the commission for the granting of the permit requested as soon as possible, in accordance with the new policy of the government concerning small airports, since that will permit the operation of an economic route for our area, considering that that is the only federal airport in the constituency of Roberval, at present. I think the minister must see to it that our area is served as fairly as the others.

We now have the undertaking of Nordair, in that connection, for November 1967, that is for the fall. But we feel we must have more adequate service sooner, because of Expo in Montreal and forthcoming industrial developments in the county of Roberval. I will point out to the minister that if Nordair does not hurry in applying for a permit, Quebecair seems very interested in giving us air service. In fact, in the newspaper *l'Étoile du Lac* of April 19, an article concerning Quebecair read as follows:

> From usually reliable sources, we learned last night that the directors of Quebecair, amongst others, the vice-president of the airline, Mr. Fournier, will visit the area shortly to meet our businessmen and municipal leaders and discuss the possibility of re-establishing the daily air service between Montreal and Roberval, via La Tuque and Chibougamau.
>
> Quebecair, a company administered by the Briant family of Rimouski, already uses the base at Bagotville, and, it seems that this French-Canadian firm would be willing to consider the expansion of its air service.

Well, Mr. Chairman, I think we now have the choice between two companies and if the first one does not want to move faster, we certainly have a good opportunity with Quebecair. The minister should point that out to the commission, to its members, because it is a very important and vital matter for us. At present, that is the only airport we have, and when we want to make a quick trip, the service through Bagotville is not satisfactory because we have to drive 200 miles to reach the Lake St. John area.

We prefer the airline to the railroad since it is practically impossible to get adequate rail service. And that brings me to say a few words about our good old Canadian National. I see the minister laughing a little. He has good reason to do so because that old train is hobbling along wondering whether it will reach the end. It is faithful to its slogan: Let us keep our delays.

As I have to use that last means to cover the 500 miles or so to get to my work here, in Ottawa, I must tell you that I have sometimes the impression that the authorities have decided to make that line so hated by the passengers that they will themselves beg for its

abandonment. And we pay those men $75,000 a year to use the taxpayers' money in that manner.

• (4:20 p.m.)

For instance, a roomette costs $9, meals included, but meals are not available because they are never served on that train. The cost is $9 all the same, and it takes 18, 19 or 20 hours to cover a distance of 500 miles nonstop. Moreover, and the minister is perhaps aware of it, C.N.R. trains are prohibited from exceeding 30 miles per hour between Chambord and Dolbeau. Over 30 miles per hour, the train could become derailed.

Surely, Mr. Chairman, something could be done, but in spite of all our requests and of all our entreaties to C.N.R. authorities, we have failed to obtain any results. And I know from experience because I board that train every week. In winter, especially in extremely cold weather the situation is worse. On one trip, it is very hot, and on the next very cold. I have even had to get up at two in the morning to put on my winter clother in order to get to Chambord without freezing my feet, my hands and face on the train. And if we have heat, the situation is the same.

I have asked if it would not be possible to get a technician to control the equipment, but that is impossible. The last time I left Montreal, I saw the technician adjusting the temperature. I asked him: Do you think we will have a normal temperature this time? Each roomette is equipped with controls to set the temperature but the equipment is nothing more than a toy. In fact, you play with the gadgets and nothing happens. I asked the man in charge: Do you think we will be comfortable? He answered: It is warm now, but I do not know what will happen at the other end. He, of course stays in Montreal. Everything is concentrated in Montreal. You can imagine what fate awaits the passengers.

Last winter, I saw women with babies freezing on the train; there was no heat. At one point, I got up. I do not hold it against the train conductors, they do what they can, their utmost. What can they do when there is no heat, when the equipment is not working properly? Sometimes, tricks are played on them because they do not know. I could hear women in the other roomettes shouting: We are freezing, we are freezing. As I am getting to know the various train conductors, I asked the porter? What have you done? The steam was not going up; not only that, he had opened the cold air valve. Instead of getting at least a little warm air in the roomettes, we were getting cold air. He had opened the wrong valve.

If, at least, we had someone who knew what to do on a long stretch like that, especially in winter when it is 40 below zero. It is a question of public service and protection. It is either cold or hot. And if they put on the heat, the same thing happens. The other day, every steam valve had been opened. There is no way to control anything. The windows could not be opened. At that time, we were dying of heat on the train. I asked the conductor if he could turn off the heat and he answered: The only thing I can do is open the doors at both ends; there is no other way to control it.

I am telling the minister that he is just the man to bring this to the attention of those who will not listen to us. It seems as if they did not want to. I do not know whether they lack goodwill, but they are unwilling to listen to us.

It was like this all winter; it was either too hot or too cold, but we never could obtain a normal temperature.

On other trains, for instance between Ottawa and Montreal, the temperature is normal. But when we get on our trains, it seems as if we were supplied with the oldest material, with anything that is unmanageable, so that when passengers arrive at Dolbeau, Normandin, Chambord or Roberval, they swear they will never be caught again, the C.N.R. will not catch them to return to Montreal.

That is why I was telling the minister that those companies must absolutely be forced to give the service, and if they do not, let them vacate the field for the Canadian Pacific for instance, or other companies. In addition, if the men are not serious enough to take care of people's health and welfare, let them be taken out of there. People can be replaced. At $75,000 per year, Mr. Chairman, you could have several men, and good men at that.

Mr. Chairman, those are the two points which I wanted to draw to the minister's attention. I know he will do what he can, but I believe he does not have, as of now, enough influence on those crown corporations which have become almost all-powerful, and I do hope that some day the government will give him more latitude to force those crown corporations back to reason. I think that completes my remarks on the point I wanted to raise. I would now like to deal with another. I received this morning a letter from Arvida about the telecommunications system. It

comes from a businessman who complains about the system aboard that train which does not operate directly in my region, since it is the train from Chambord to Chicoutimi. Here is what he says:

I would like to complain here about the quality of the service given us by the C.N.R.'s telecommunications service.

I apologize for raising this matter, Mr. Chairman. That letter comes from the riding of Lapointe and I quess the writer preferred to send it through me. I continue:

I think the present situation is intolerable in a region like ours and should be remedied as soon as possible.

On Friday night, May 19 last, after an urgent meeting, the executive of C.A.M.A., our association, sent to the out of town directors, through the C.N.R.'s telecommunications service, a rather important night letter. That message arrived in Chicoutimi at four minutes past eleven o'clock; the employees tried to reach me but, since I was not at home, they left the following message: Mr. Dostie has received a telegram; we close at 11.30 and we will call him back on Tuesday because no one works during the weekend. May 22 being a legal holiday, the telecommunications service was therefore closed during 80 consecutive hours.

I sincerely believe that this situation should not exist, that this decision was taken too hastily by the C.N.R., that they did not try hard enough to find a solution which would make it possible to keep the telecommunications service in operation at least 16 hours a day during a period of 365 consecutive days.

If the Chicoutimi system must be closed, telegrams should be routed through Quebec City or some other centre, and transmitted from there by telephone. If this procedure is too costly, further research should be made, but means should be found to keep the telecommunications system in operation 16 hours a day.

This is signed by a Mr. Clément Dostie, from Arvida. I think this letter should be mentioned here and brought to the attention of the C.N.R. people.

Now, I have received many complaints about this railway line. I have never mentioned this in public because it is a semi-public semi-private institution, but when nobody makes a move and everybody seems asleep, I think the time has come to bring the matter to the attention of the public at large.

The problem concerns a night porter on the Chambord-Chicoutimi run—I do not know if the minister has heard about it—who does his duty and is even over-zealous for he wakes women up at two and three in the morning to ask them for ten or fifteen minutes off. This night porter, a coloured man, even if he likes our white women, is paid to let them sleep and must do so.

This is a rather delicate matter but the minister can make an inquiry. Seven or eight women have complained that they were even offended by this porter. This must stop.

(*English*)

Mr. Fairweather: First, Mr. Chairman, I wish to do something unusual. I wish to compliment the minister for sharing with us three excellent speeches that he made to universities across the country. I read with interest his speech to Memorial University of Newfoundland, the one to his alma mater in Manitoba, and I look forward to reading his speech to Bishop's which has had some publicity. We ought to have more opportunities to read and hear thoughtful speeches such as those made by the minister. Perhaps some might be made by backbenchers away from the political milieu. I hope they are as thoughtfully and interestingly presented as were the minister's speeches.

As we all know the estimates give a member of parliament an opportunity to fulfil one of his roles, the representative role, even though we cannot do too much about it. I say this by way of apology because my remarks, strictly speaking, are parochial.

• (4:30 p.m.)

I wish to enter a caveat about Air Canada's service to Saint John, New Brunswick, which unfortunately has deteriorated somewhat this summer, it seems to me. I am not suggesting remedies, but I feel that flights in and out of the maritimes very late at night should be avoided. One I often use arrives in Saint John well after midnight and arrives in Halifax at 1.30 a.m. I hope that when next November comes and the next change is made in the timetables it will be possible to travel from Ottawa and arrive in Saint John before two o'clock in the afternoon. It is not possible to do so this summer.

We are told that if we go to the grass roots we shall find out what the people are thinking. During the Easter break I found there were more complaints in my constituency about Air Canada timetables and the lack of baseball on television this summer than about any national or international issues. Today I have an opportunity to comment on the timetables. I understand that the estimates of the Secretary of State are coming along soon and I shall then be able to take up the issue of the lack of baseball on C.B.C. Saturday programs.

Mr. Pickersgill: Does the hon. gentleman not think he must have pretty contented constituents?

Mr. Fairweather: I do not want to analyse that suggestion publicly, with the feeling for preservation all of us have.

I wish to comment now on a continuing problem which arises in connection with the air terminals of this country. I am not an engineer but I wonder whether the time has not come to undertake a giant study of means by which passengers could be transported more quickly from terminals to downtown centres. Expo has shown us what can be done by using imaginative transport policies. During my stay in Ottawa one of the most hair-raising parts of that experience has been taking the air line bus along what I believe to be the Hunt Club road out of Ottawa to the terminal. It is certainly more hazardous than any jet flight I have undertaken, and the need for seat belts is even more evident. Could not journeys of this kind be made easier by the use of monorails, for example? I notice that Dr. Solandt had some most imaginative things to say the other day about planning in the next hundred years of Canada's history and I would think that high on the list of priorities should be the project I have mentioned.

My hon. friend from Edmonton-Strathcona talked about supersonic jets. I suspect that if he and I were to discuss this question our views would be opposed. I worry not so much about possible difficulties in embarking or disembarking as I do about noise and other interferences with daily life. I presume that the National Research Council or some of the minister's own officials are even now studying the effects of noise and other nuisances which will be caused by aircraft of this type.

To turn from supersonic jets to the National Harbours Board, may I say that for some time I have requested that arrangements be made in the port of Saint John for the offloading of feed grain. Though all the necessary facilities are there for the loading of grain in an efficient manner, it is interesting to note that there are no facilities whatever for offloading. What the port needs is a leg, I think it is called, before its full facilities can be used.

My concluding comment is even more parochial, though perhaps the concept is not. It is a request that the Department of Transport and the Department of Public Works should work together very closely in connection with the provision of navigational aids and other amenities on our great waterways. I believe "Commercial use" should be interpreted very widely, because in these days of shorter working weeks our citizens are much more readily able to acquire power boats and so on. I was unable to persuade the former government to adopt this view but I have not given up hope of converting the present administration. These waterways are a priceless asset. I know the minister and his department have co-operated in seeing that navigational aids are brought up to date in some cases, but time and again when I recommend certain changes or the provision of amenities along the Saint John river system I am asked: What is the commercial use?

If that means unloading logs for pulp and so on, there is very little commercial use. But within the last 12 months the river system and the people of New Brunswick played host, as it were, to the Cruising Club of America whose members arrived in $2 million worth of sailing boats and other craft. It would have been an unforgettable experience could those yachts have benefited from modern navigational aids and other amenities such as garbage disposal facilities, ice, oil, fuel and so on.

I hope that at some time when historians are poring over the remarks I am making today they will be able to celebrate a day when the great purpose of the river system will be to meet the needs of the man who seeks to revive his spirit by taking to the clean waters of the Saint John river, something which could be made easier and more pleasant if we really made the best of the wonderful inland water system which is part of Canada's heritage.

Mr. Prittie: Mr. Chairman, for the benefit of any hon. members who may be waiting to speak I can tell them my remarks will be brief.

I was pleased to hear the hon. member for Royal congratulate the minister on speeches he had made recently. We receive a great variety of minister's speeches through the mail from their public relations staffs. I agree that the recent speeches of the minister were very good. I do not say this in the expectation that anything will be done by the Department of Transport for the constituency of Burnaby-Richmond. But they really were very good.

The minister will not be surprised if, like other members, I raise some local matters. Before I do so may I say a word on the subject raised by the hon. member for Swift Current-Maple Creek and the hon. member for Edmonton-Strathcona, each of whom

spoke of the need for better air service and recommended increased competition among air lines. I suggest to those hon. members that the question is not as simple as they would have us believe. The basic difficulty is the shortage of planes. If tomorrow, for example, the Air Transport Board were to say to Canadian Pacific Airlines, "You can have all the rights you want", the fact is they would have great difficulty in providing service. The shortage of aircraft today is critical. Because of the war in Viet Nam the production of military aircraft is being given priority in the United States. Neither Air Canada nor Canadian Pacific can get all the aircraft they need. This is unfortunate in a year in which great demands are being made upon passenger service in Canada.

The shortage of aircraft is not confined to the two larger corporations. The hon. members to whom I have referred should bear in mind that whatever the arguments for or against the provision of additional services by other carriers it is doubtful that those carriers could supply additional services this year. I doubt that the situation will change in 1967.

• (4:40 p.m.)

I should like to add this comment in that connection. Some reference has been made to the minister's own air line, the aircraft of the Department of Transport. There are three government air lines—Air Canada, Department of Transport aircraft and the aircraft of the Department of National Defence. In respect of aircraft of the Department of National Defence particularly, the policy has been that they do not carry people who normally should travel on commercial air lines. One can understand the reason for this. In the past the commercial air lines have complained. We find that when members of parliament are travelling to official conferences they are sometimes allowed to travel on government aircraft, but if their wives accompany them they must go by the commercial air lines. I suggest that this summer and fall there might be a suspension of the policy now in effect. If government aircraft of the Department of Transport and the Department of National Defence have regularly scheduled planes flying across Canada with available space, perhaps this information could be made known to members so they would be able to obtain transportation to and from their constituencies, at least for the next few months which are the critical period.

As has been pointed out, the problem is really quite serious for those of us who come from the west. Frequently we are stranded for many hours in Toronto. Only those who come from distant points in the country realize how critical the situation is. Even, if you travel by train you must make your reservations a long time in advance. This situation is not likely to improve very much between now and the fall. I suggest that the policy of permitting only service personnel to travel on departmental aircraft be suspended for a while so that if there should be space available members of parliament and others in the government service might be transported and if necessary pay for the service as they do on commercial air lines.

I should like to refer to another problem which concerns my constituency and indeed the whole lower mainland of British Columbia. I know the minister is well aware of it but it is one which should be restated publicly from time to time. The question of access to Vancouver airport which is situated in my riding has already been mentioned by the hon. member for Vancouver East and the hon. member for Vancouver Quadra. When I raised the matter previously the minister said that discussions with the government of British Columbia were being continued and that it was hoped they would lead to a cost-sharing formula to build a bridge or tunnel from the city of Vancouver directly to the airport on Sea Island. Some progress has been made. I recall bringing up this matter when the hon. member for Kamloops was minister of public works in 1962 and he said that the federal government met its commitment when it helped in respect of the Moray Arm bridge. The federal government now admits its responsibility in this matter.

I suspect that part of the problem is with the government of British Columbia. It is not known for its eagerness to share costs with other people. I brought this matter up in 1962 and as the years go by the traffic situation worsens. If the airports serving Montreal and Toronto were on islands served by a two-lane bridge which opens at times, I believe we would hear a great deal about it and probably more action would have been forthcoming before this time. In the lower mainland of British Columbia the problems in respect of getting to and from the airport have increased. I hope that in the near future the minister may be able to announce that an agreement has been reached with the government of British Columbia to construct a bridge or tunnel from the city of Vancouver to the international airport. It seems that it takes three or four years to build bridges or tunnels, and if an agreement were reached

now it is doubtful that a tunnel or bridge could be completed before 1970 or 1971. I understand that the new airport in Vancouver will be in operation next year.

I should like to mention another matter of which the minister is aware. Sea Island, where Vancouver international airport is located, is owned largely by the federal government through the Department of Transport. However, on that island there remain several hundred residential homes. The people living in these homes have something of a problem. If this area is allowed to be neglected very much longer it will go down hill very rapidly. There is an understandable reluctance on the part of lenders to provide the money necessary for home improvement in this area. There is need for a statement from the Department of Transport concerning its long-term intentions in respect of Vancouver international airport. Until they have this inuncertainly. This is not very good for the community. I understand that study is formation the residents are living in a state of under way and I hope a report on the study will be forthcoming in the very near future. I am always suspicious of studies. A study on the problems of pilotage has been going on ever since I came to Ottawa. I trust it will not take nearly as long to produce the report on the further use of Vancouver international airport as it has to produce the pilotage report and that perhaps we will have it some time this year.

Mr. Reid: Mr. Chairman, I should like to talk about airports, specifically municipally developed airports to which the government contributes under its program and, second, airports which are built under the jurisdiction of the Department of Transport, which I believe are referred to loosely as national airports. Historically my riding has been a railroad transportation constituency. With the decline in railroading we have been attempting to broaden our economic base by developing the tourist trade. An increasing number of tourists are now coming into our area by air. We have been pressing the Department of Transport for airports, specifically for airports at Sioux Lookout, Red Lake, Dryden and Kenora. I should like to deal with each of these centres in order to illustrate what has been going on for some time.

In respect of the regional airport assistance program I notice under vote 40 that for the fiscal year 1966-67 the amount provided was $1,608,000 and that for 1967-68 it is being reduced to $1,386,700. This is a very valuable program. I should like the minister to explain why the program is being cut back. I should like to see an increased appropriation for this program.

May I deal first of all with the situation at Sioux Lookout. I had a meeting there with the town council and chamber of commerce to deal with the airport situation. For four years now they have intermittently been making application to the Department of Transport to have their airport runways resurfaced and lengthened. After four years the answer they received was no. This was a bit of a blow to the people of Sioux Lookout because when TransAir of Winnipeg made an application to operate a flight from Winnipeg via Red Lake and Sioux Lookout to the lakehead and back again Sioux Lookout for the first time was going to be on an air line schedule. Unfortunately, the day before the flight was to be inaugurated the Department of Transport informed TransAir that it could not land at Sioux Lookout because the runway was too short. It was 2,800 feet and under the regulation it is necessary that it be 3,600 feet. Yet the DC-3 aircraft, which were to be used, are still landing at Sioux Lookout, although I must admit they are being used as cargo rather than passenger aircraft.

• (4:50 p.m.)

The point I want to make first of all is that the Department of Transport has been remarkably lax in taking such a long time to answer such a simple request. Second, the TransAir schedule had been known for some months before the service was to go into operation. Yet the day before it was to be inaugurated, permission to land there was denied. In any event, DC-3's are still landing there.

The third point is that even though the cost of extending the runway to 3,600 feet, to make it long enough for DC-3 passenger aircraft to land, would be high, about $300,000, I think the Department of Transport has taken the wrong approach. Even though the cost would be high, the fact is that with regularly scheduled flights landing there, there would be a certain amount of revenue to the Department of Transport which otherwise they will not receive. Unlike other airports, there would be a certain return to the Department of Transport as a result of the scheduled service that would be provided. I understand it would be a six-day service.

Another situation I wish to refer to exists at Red Lake. There has been an air connection between Red Lake and Winnipeg via TransAir for some time. Last year I was told that the Department of Transport was going to extend the runway and resurface it to a length of 5,000 feet. This plan was cancelled because the cost was apparently too high. This project was to be included again this year in the plans, but apparently it has again been cancelled. I do not know what the reason is for cancellation this time because I only heard about it from the local people yesterday. There does seem to be something suspicious about this situation in view of the fact this plan was supposed to be included in the estimates for two years but has been cancelled both times for no real or apparent reason.

Let me now deal with the situation which exists at Dryden. The people there have requested the development of an airport under the regional air development policy. I received a letter today from the chairman of the committee making the application to the department. The committee is bothered because of the small allotment of money in the estimates for the next year, approximately $1,300,000 for the whole of Canada.

The people of the area do not know how much chance they have of getting any money in order that they may proceed quickly with this project, and TransAir has promised them that if the project is proceeded with quickly Dryden will be included in the flight schedule between Winnipeg and the lakehead. I should like to see some other means of allotting this money worked out because the present system does not do much for northwestern Ontario. That area is included by the Department of Transport in the Winnipeg region. This means that before our needs are likely to be considered the needs of the province of Manitoba will be looked after by the department. Perhaps the minister would consider establishing a new region for eastern and northwestern Ontario in order that this area will not be considered after the province of Manitoba. There is some reason to believe that this is the situation at the present time.

The other airport I want to talk about is that at Kenora. It is also operated by the Department of Transport and there have been efforts to get the runway extended to 5,000 feet in order to service the business being generated in this area by the tourist industry. This is becoming increasingly important to the economy of Kenora as the income received from the railway industry becomes less.

The cost of extending this runway would be quite high, but the people of Kenora are attempting to get a regional air line from the United States to provide a service there. This again would provide a certain amount of revenue to that airport. The cost of constructing airports in northwestern Ontario is very high, as the minister is likely aware, because of the terrain with which we must work. In view of the fact that this area has reached an all-time low so far as railway service is concerned, perhaps the minister ought to look at the situation from the point of view that while airport construction is expensive this is an investment in the future of the area. This area must be developed if it is to grow and survive.

The modern method of air travel is becoming increasingly more important, and I appeal to the minister to do something about the difficulties which result from the allotment of money under the regional airport assistance program. I urge him to take another look at the advantages resulting from the extension of runways at Sioux Lookout and Red Lake. I hope he will realize that although the capital cost may be high, as a result of scheduled air lines servicing these areas there is a good possibility of retrieving some of the expense.

Mr. Howe (Wellington-Huron): Mr. Chairman, I welcome the opportunity to discuss transportation problems in Canada during our consideration of the first item of these estimates. Several members have referred to speeches made by the minister, but I am afraid I have not had the pleasure of reading them. Let me say that during our consideration of Bill C-231 the minister proved to be the most amiable—perhaps I should say bendable—minister in the house. That was apparent when he agreed to the considerable number of amendments made to that bill.

At this time I should like to reiterate the observation made during our discussion on Bill C-231. At that time I objected particularly to the phasing out of subsidies provided by the Freight Rates Reduction Act. It was indicated by the presidents of the two railway companies there was every possibility that when this measure was put into force there would be an increase in freight rates. In view of the tremendous increase in the cost of living and the cost of goods and services in this country, some consideration should be given during the implementation of this measure to the effect it will have on freight

rates. I hope the minister will comment on this when he replies and tell us what will happen to freight rates when the complete implementation of this measure is brought about. I hope the minister will also tell us when the Canadian transport commission will commence operations and make its services available.

The second subject I wish to refer to involves the threat to small communities as a result of the abandonment or reduction of rail services. This situation was brought to my attention specifically by a letter from the provincial member for Perth in which he stated that under the new improvement plan all the stations and the services provided by agents in 12 communities in western Ontario are to be discontinued. Very likely these same communities were coaxed to allow the railway companies to come in and no doubt each one provided not only financial assistance but the property for the stations and the railroad. Perhaps we should bring this situation to the attention of the Minister of Industry in the hope that he will change the criteria in this part of western Ontario in order to assist these communities through existing legislation to attract industry.

• (5:00 p.m.)

I should like to commend those communities that are doing their utmost to create a climate which will attract people by the provision of all types of services such as good schools, hospitals, swimming pools, and so on. The religious organizations are also doing everything they can to make people happy in these communities when they come there. In this way these communities are hoping by their own initiative to attract industry. However, they feel that when a service such as the railway is in danger of being removed and people will no longer be able to telephone the station agent and find out what the freight rate is on cattle, a load of feed or a load of furniture, the community will be denied the possibility of attracting the industry they urgently need in order to get an industrial assessment that will help counteract the cost of the services they have to provide at the present time.

I bring this matter to the attention of the minister in the hope that the railroads will be informed that until the transportation commission is operative these applications should be held in abeyance, because I know the experience of small communities when they come up against the financial and legal experts of the railroads. It is pretty difficult to fight them and it is pretty hard to put forward arguments that seem logical. My experience in these communities is that the cost of the station itself is very much less than the profit derived from businesses brought into the area. I believe that because people in these communities are carrying on needed businesses there should be available to them the services of a station and station agent. Once again I should like to bring this matter to the attention of the minister so that a closer look may be taken at all these applications in the hope that the services will be continued in those communities that require them.

[Mr. Howe (Wellington-Huron).]

Mr. Monteith: Mr. Chairman, I should like to reiterate very briefly the words of the previous speaker, the hon. member for Wellington-Huron, concerning the 12 stations that are being closed in the Stratford division. I would point out that at Atwood, for instance, there is a huge feed mill and at Milverton there is a furniture business. The rest of the 12 smaller stations, I suppose one might call them, have industries in the area. They will cease to be served by the railway if these stations are closed. The hon. member for Wellington-Huron has pleaded their case and I do not intend to do so again except to add my words to his and urge that a very close look be taken at this situation before cancellation is embarked upon.

I should also like to bring to the minister's attention a specific case which came to my attention only today. I have received a letter from the financial secretary and the recording secretary—it is signed by both of them—of Avon Lodge local No. 38 of the Brotherhood of Locomotive Firemen and Enginemen, Stratford, Ontario. It has been brought to the attention of these gentlemen that apparently Canadian National Railways plans to abandon trains Nos. 218 and 217 which operate between Stratford and Toronto. It is apparently planned to abandon these trains early in July this year in favour of highway transport. These gentlemen point out that the train takes three hours and a few minutes in its journey from Stratford to Toronto. It stops at Kitchener, Guelph and Brampton, picks up several cars of freight at each stop, and on the return trip it drops cars of freight at these places. Twenty five to 28 carloads of freight have been hauled per trip. On the return trips there are not as many freight cars but in both directions the trains carry piggyback trailers.

Apparently it has been proposed that this Canadian National freight service be turned over to highway transport entirely. These trains cover the distance in three hours and a few minutes each way and give very prompt service in picking up traffic en route. I believe that if this traffic is hauled by road it will only further clutter up the highways. It is really railway traffic in the first place and, as the two gentlemen who signed this letter so succinctly point out, if the trains are cancelled railway traffic will no longer be travelling on the rails where it belongs but on the highways. I should like the assurance of the minister that further, very serious consideration will be given to retaining trains Nos. 217 and 218 before they are cancelled, as has apparently been proposed.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I think the minister will agree that I am one of the members who has troubled him least. I can assure him that I have not the kind of riding that is likely to cause me to trouble him very much in the house. But as he knows, I am a fellow alumnus of his university—

Miss LaMarsh: Which one?

Mrs. MacInnis (Vancouver-Kingsway): —so he is very fortunate not to be troubled by me. However, as one of the members from the lower mainland of British Columbia I am concerned, with the other members from greater Vancouver and the lower mainland, about the whole question of the Vancouver airports and the air service provided to the Vancouver area.

I know that the question of Boundary Bay airport is not new to the minister. I have at least troubled him behind the scenes, and I have also written to him about this matter. I wish the minister would give a definite assurance to the house that before the Department of National Defence phases out the radar installations at the Boundary Bay airport site, a decision will be taken that the Department of Transport will move in and make this airport site available for the Vancouver area.

As you know, Mr. Minister, we have two airport sites in Vancouver, the international airport and the one at Abbotsford. But Boundary Bay has certain advantages which I think are very necessary for the whole Vancouver area. The congestion in the Vancouver area is bound to increase. Boundary Bay has the merit of being relatively fog free. Until the question of pollution in the Vancouver area is tackled a great cloud of pollution will continue to drift down the coast, but fortunately it almost completely misses the Boundary Bay area. This is of tremendous importance and significance where small planes are concerned because they cannot use instruments and have to depend upon clear visibility for safe flying. Also, as a means of keeping the main Vancouver airport free it is necessary to have this auxiliary site. In addition, the rainfall at Boundary Bay is much less than in the Vancouver area. There is also the point that access to the city from Boundary Bay is a great deal easier than farther down the mainland at Abbotsford.

• (5:10 p.m.)

For all these reasons it is very important for the people in the Vancouver area to know that when the Department of National Defence withdraws its installations from this site it will be used as an airport. Years ago objections were raised from a number of quarters to the use of the Boundary Bay airport site. However, these objections have been overcome by negotiations among the parties concerned and today the regional planning commission for the whole lower mainland is in accord with the use of the Boundary Bay airport for civilian services. In addition, the municipality of Delta in which it is situated is very anxious to have the airport used again for civilian purposes.

In view of the fact that long-range plans are being made and the whole lower mainland area is trying to make plans for the future, it is of the utmost importance for them to know as far ahead as possible what the plans are in connection with the Boundary Bay airport site. I know it is probably impossible for the Minister of Transport to say just when the Department of National Defence will be phasing out its radar installations and when the airport will be once more freed for civilian purposes. However, I do think it would be very helpful if the minister could assure the authorities in greater Vancouver and the nearby municipalities, the regional planning authority, the municipality of Delta and other people, that when the Department of National Defence has completed its use of the airport it will be returned to civilian use and become in reality a civilian airport on the west coast. I would ask the minister to tell us whether this can be done and if it cannot be done, what the obstacles are that stand in its way. This is a tremendously important matter which concerns well

over a million people in the nearby area, to say nothing of the large amount of international traffic at Vancouver airport and the need to ensure the safety of that—traffic which can only be done when the small planes are cleared out of there and given an airport of their own. I therefore ask the minister very definitely whether or not he can assure the house that Boundary Bay airport will be returned to civilian use.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Chairman, I wish to place on the record what I and I think most citizens on the south shore of the St. Lawrence river in Laprairie county, along the length of the seaway channel from St. Lambert to Laprairie, the Côte Ste-Catherine locks and Caughnawaga, consider to be the basic responsibilities of the St. Lawrence Seaway Authority. In 1957 and 1958 when the St. Lawrence seaway was built along the south shore of the St. Lawrence river the citizens of this area were assured that the initial scars of construction would soon disappear. In its commitments to individuals arising out of land expropriation, the seaway authority has, not without some nudging, fulfilled its responsibility toward shoreline owners. I must say in fairness that in many cases it has actually brought shoreline properties to a better state than existed prior to the seaway construction. The seaway authority has also settled satisfactorily most of the differences which existed between it and the affected south shore and Laprairie county municipal bodies. Caughnawaga is one exception to this, but negotiations have been under way in earnest for the past two years in the latter case, after a long period when communications had broken down. I am hopeful that the Caughnawaga band can be adequately and fully paid for the expropriated band lands and rights without too much additional delay.

Having said this, let me add that the St. Lawrence Seaway Authority has failed in its commitment to the Canadian public, and more particularly in its obligations to the citizens of the south shore and Laprairie county, with regard to the portions of land which it expropriated and then kept. I refer specifically to the unfilled excavations and rubble piles left untouched since the last construction bulldozer left the site eight or nine years ago. In the city of Brossard these eyesores, which for years were hidden from all but the suffering local citizenry, are now exposed to millions of Expo visitors because a six-lane highways has been completed along the shoreline.

[Mrs. MacInnis (Vancouver-Kingsway).]

I am pleased that last autumn the seaway authority acceded to my request and hired a landscape architect to prepare plans for beautifying this portion of the seaway property. The landscaping needed may well be expensive, but it is clearly the responsibility of the seaway authority to see that such landspacing take place and that it be implemented without additional delay.

The seaway authority has been dragging its feet, hoping that higher tolls will provide it with additional funds for this purpose. The United States government has now rejected any increase in tolls and the seaway authority must now face up to its obligations. I hope the minister will lend his support to an effort by the seaway authority to eliminate this year the affronts to nature which the authority created nine or ten years ago at Brossard and at Caughnawaga at the approaches to the Mercier Bridge.

I can assure the minister that I do not intend to take no for an answer on the question of the elimination of these roadside blights. Halfhearted landscaping consisting of the leveling of piles of rubble is as unacceptable as inaction. The Canadian public accepted the seaway as a national responsibility. Other Canadian organizations, both public and private, minute in comparison to the seaway, have accepted their responsibility for landscaping and frequently have allowed the use of such landscaped areas by the public. That the seaway authority, which possesses some of the most beautiful shoreline property in the Montreal region, should consider that its public responsibility consists solely in ensuring the unimpeded passage of ships in the seaway channel is to me a totally unacceptable proposition. Not only must the construction scars be eliminated, a promise now ten years unfulfilled, but landscaped parklands should take their place.

I appeal to the minister and to the seaway authority to fulfil this year the obligations of a term we hear frequently these days—good corporate citizenship. Surely the implications of this term to the seaway authority, a crown corporation, are of the utmost importance and weight.

Mr. Howard: Mr. Chairman, in the last couple of years the Minister of Transport has been inundated with requests and representations regarding safety on the St. Lawrence, and I think he is to be commended for having dealt with some of them at least in the manner in which this has been done. He has probably accomplished more beneficial changes in this

regard in the last couple of years than have been effected within the last two decades and, as I said, he and his department deserve a tribute for doing the things that have been done so far with respect to safety and accident prevention measures along the river. Of course the minister is not entirely responsible for all that took place because it goes almost without saying that had it not been for the persistence and insistence of the officers of the Seafarers' International Union, which has been tremendously active in this regard, perhaps the situation would have remained as it was previously.

This, of course, is not to say that the minister should become lax now that a few things have been accomplished. I know he will approach the remaining problems with the hope of bringing solutions to them in the reasonably near future. If he could have another accidental meeting with the chairman of the royal commission on pilotage we might be able to ascertain what that august body has determined should happen with respect to pilots and pilotage, a facet of shipping and navigation about which there is great concern. I am making these remarks to the minister to indicate that even though he and I have had differences of opinion about some of these things, when success is achieved and things are done which are beneficial the credit deserved should be passed along.

• (5:20 p.m.)

I want to talk briefly with the minister about a matter at home and to say that through the news media I watched his progress with some interest while he was there. I read copious newspaper accounts about the things that were said and the minister left a distinctly lasting impression. I understand from these reports that he was visibly impressed with the potential of the area and the great possibilities that exist in northern British Columbia. It is a sad commentary really for him to have said that because it means he really was not listening to what I have been telling him all these years about the great possibilities that exist there.

I suppose the old Chinese proverb is applicable that one look is worth a thousand reports. We are pleased that the minister went. We have been trying to get other ministers to visit that area and I am sure that when they do go they likewise will be impressed with the tremendous growth and development of northern and northwestern British Columbia. We look forward to great things emanating from the minister's department in connection with those matters about which he was so visibly impressed.

While the minister was there he had some comments to make about the Terrace airport terminal building. He probably made those remarks because just a few days before I had made some comments. I say frankly to the minister, if he had not guessed it before, that the comments I made regarding the Terrace airport were calculated to coincide with his visit.

Mr. Pickersgill: I would never have guessed it.

Mr. Howard: If the minister would never have guessed it he is a poor student of his own activities. I only did so because I know the way the minister operates. The statement was made in the hope of evoking some comment from the minister while he was at the Terrace airport building which would be worth while and would provide information for the residents of Terrace, Kitimat and others who use that airport.

I was rather disappointed in what the minister said. I wonder whether I might comment about it now, Mr. Chairman? I should like to read from the Kitimat *Northern Sentinel.* I regret that I do not have the date of the issue but it was just a few days after the minister's visit. The headline reads, "Minister Speaks Plainly." The subheadline reads, "Pickersgill On Howard". Some of the other subheadings read: "Pickersgill On C.N.R.", "Pickersgill On Prince Rupert," and so on. The minister covered a wide range of topics.

An hon. Member: Bilingualism?

Mr. Howard: This is a unilingual newspaper. The report regarding the Terrace airport makes reference to the statement I made, but I must quote what the minister said:

> I understand that he had reference to a statement that was made on Mr. Laing's authority some time ago.

For the benefit of those who may not know who Mr. Laing is, he is the Minister of Indian Affairs and Northern Development. I continue the quotation:

> I've seen a reference to that statement, and that statement said something about long-range plans that would still require government approval, and the estimates, of course, contain what the government has approved for each year—they don't contain any long-term forecasts.

Then, the minister went on to make other comments about the Terrace airport, which was going to be improved. In any event, the key part is the minister's reference to having

seen a statement by the Minister of Indian Affairs and Northern Development which said something about long-range plans. Perhaps the minister does not know about the commitments that are made on his behalf by his colleague, the Minister of Indian Affairs and Northern Development. If the minister did not let these other departmental heads run the affairs of the Department of Transport perhaps he would be a lot better off. If he would just put a clamp on the ebullient Minister of Indian Affairs and Northern Development in connection with making commitments, possibly the Minister of Transport would not get into so much difficulty.

It is obvious from the minister's statement that he has not seen the statement issued by the Minister of Indian Affairs and Northern Development. I should like, therefore, to read it to him. I will gladly send him a copy if he would like to have one. This letter is dated December 13, 1966 and is signed by one Arthur Laing. It is addressed to Gordon Williams, Esq., President of the Smithers Liberal Association, Box 400, Smithers, British Columbia:

Dear Mr. Williams:

I must read all of the letter or I will be accused of taking something out of context.

You will recall our correspondence earlier this year concerning the Department of Transport's plans for the airport terminal buildings at Smithers and Terrace. At that time I made inquiries about both, and relayed the latest information to you.

As far as Terrace airport in particular is concerned, I am certainly very much aware that it is becoming very important and improvements are overdue. I have been in close touch with my colleague, the Minister of Transport, and you will be interested to know that we—

I do not know whom he means by "we", whether the Minister of Transport and himself or the government.

—have approved in principle the expenditure during 1967-68 of $700,000 on the airport at Terrace;

This statement is fairly clear, but just in case it is not clear Mr. Laing adds this:

—in other words, it is approved subject only to parliament voting the money in that year.

You may have already heard this. I should have written to you before to keep you posted; I certainly meant to. At any rate, my confirmation of our plans is, I hope, better late than never.

As I say, this letter was written on December 13, 1966. In Kitimat and Terrace some four months later the Minister of Transport made this comment on the statement by the Minister of Indian Affairs and Northern Development, and I quote from the newspaper report:

[Mr. Howard.]

I've seen a reference to that statement, and that statement said something about long-range plans that would still require government approval—

The letter I just read, which was to the Smithers Liberal Association, is not about long-range plans but is about $700,000 in this year's estimates. Where is it? That is what we would like to know.

• (5:30 p.m.)

Just in case this is an isolated instance of forgetfulness on the part of the Minister of Indian Affairs and Northern Development or of his really not knowing what is going on in the Department of Transport, let me point out that he wrote two letters to individuals other than the president of the Liberal association in Smithers. He wrote to an individual in Terrace. He wrote three letters in all, and in each he said the same thing, that $700,000 would be allocated to the airport terminal in Terrace in the estimates for the year 1967-68 subject only to the approval of parliament.

I ask the minister, how much is in the estimates for this purpose? Is the amount of $700,000 included for this year? If the minister tells me that it is, I will have to call up the person in his department who told me otherwise. On checking I find in this year's estimates the sum of $244,000 not $700,000, for the Terrace airport. That amount is far short of the $700,000 that the minister's colleague told the Liberal association about. Of this amount only $200,000 is earmarked for the airport terminal building. The balance is for such things as paving, furniture, a sander, a foam truck, a vehicle storage building, and so on.

When I gave this information to the newspapers at home just prior to the minister's visit I told the press that five months ago the minister of Indian affairs had told Liberals in Terrace and Smithers that $700,000 had been approved, and that I classified this statement by the minister as false. I should like to know from the minister if it is correct that there is $700,000 in the estimates for this year for the airport at Terrace. If there is I will publicly withdraw on bended knee all of the allegations I made about the minister of Indian affairs making commitments which were not in accordance with the facts. If the $700,000 is not in the estimates, then I think we should know officially from the minister what the amount is. As I said, I telephoned the department and asked the officials for a breakdown of the amount, how much for this, how much

for that, what it was for, and so on. I received that information, and I base my remarks on that information.

Here is an opportunity for the minister to accomplish something unique. I would ask him to picture, if he can, my apologizing to him on bended knee. He can make an honest man out of the minister of Indian affairs simply by telling me that $700,000 is included in this year's estimates for the terminal building at Terrace airport. If it is not included, he can put it there; either way is satisfactory for me. However I think this mattter should be laid before the public eye for all to see.

I use this arena to comment on this matter, Mr. Chairman, because both the minister and I are here. Unfortunately, when he was in Kitimat I was unable to be with him; nor was I able to be with him in Prince Rupert. Indeed, I was not invited to be there.

Mr. Macquarrie: Shame.

Mr. Howard: I do not mind that. That is a matter for the minister. If he wants to use the Department of Transport helicopter service in that area to ferry around the Liberal candidate, and if that is his concept of the expenditure of public funds for a good cause then that is his business.

Mr. Macquarrie: A lost cause.

Mr. Howard: It may be a lost cause, but that action of the minister does not detract one bit from my opinion of him. However, I should like the facts to be put on the record at some convenient time, and I would ask the minister to detail for me the amount allocated in the estimates to the Terrace airport. Perhaps he will add the different items up to $700,000 and put some substance behind the letters that the minister of Indian affairs has been writing on his behalf.

Before closing I might say I tried to get a letter from the department which listed this information in detail. I telephoned a senior official in the Department of Transport and asked him whether he would send me a letter listing the information given to me over the telephone. I telephoned him twice, having waited a period of time without receiving any communication. I am not going to disclose the name of the officer or his position in the department, but he was fairly senior. I have yet to receive a communication listing in detail what is allocated in the estimates to the airport terminal building at Terrace.

The only information I received over the telephone, which I will give to the minister so he can check it, is that in the estimates for this year there is an amount of $244,000, of which $10,000 is a carryover from last year. There is a capital amount for the building of $190,000, $30,000 for a foam truck, $9,000 for a sander, $5,000 for furniture, and the total is $244,000. As I say, that information was given to me on the telephone.

There is one other interesting aspect of this matter to which I think reference should be made. I understand that a submission was made by somebody in the department to Treasury Board in respect of the cost of the airport terminal building, the adjacent parking space, the storage building, the sander and all the rest of it. The recommendation of the department to Treasury Board was in respect of an amount of $475,000. I do not know how Treasury Board operates, and perhaps the minister does not know either, but apparently Treasury Board, through whatever means it employs, decided that $475,000 was too much and said to the department in effect. "Do it for $375,000".

The interesting thing is that this same Minister of Indian Affairs and Northern Development who wrote the letter to his Liberal friends at home saying that there was $700,000 waiting to be picked up also sat as a member of Treasury Board at the time the amount was cut back from $475,000 to $375,000. But he did not write a letter to the Liberal association or anybody else telling them about this. All he believes in doing is taking credit for the sunshine even when the sun is not shining. In this instance he is hiding everything when the weather is gloomy. What we would like is disclosure of a little factual information about what is taking place in Terrace.

[*Translation*]

• (5:40 p.m.)

Mr. Laprise: Mr. Chairman, like my colleagues who voiced their grievances to the minister, I shall also try to be brief and seek inspiration in the introductory remarks of the minister when he asked approval of his estimates for the fiscal year 1967-68. I should also take the opportunity of these few minutes to make my recommendations to the minister as to certain developments needed in my constituency mainly concerning local airports.

The minister is probably aware that requests are being made for the construction of airports in the Amos, Chibougamau-Chapais and Matagami districts. The minister might possibly say that I am asking a lot for a single constituency. Mr. Chairman, I should

like to point out to him that my riding extends over one third of the province of Quebec. Moreover, the possibility of converting it into the eleventh province is now being broached. The minister will therefore understand that an area in full development as the northwest region of the province of Quebec needs some transport facilities for the manufacturers, the businessmen who want to develop the natural resources of those regions.

At present, northern Quebec has two airports one of which is quite satisfactory and first rate. I refer to Val d'Or airport which is at the same time a military airport. We have another near the town of Rouyn which is also used by the planes of Air Canada, but the runway is not in very good condition. As a matter of fact, when landing on this strip in an Air Canada Viscount, one has the impression of travelling on the provincial highway through LaVérendrye park, so rough and bumpy it is. One can then see the difference between a military and a civilian airport.

Therefore, Mr. Chairman, the point I wish to make is the need in the areas I just mentioned such as Amos, Chibougamau-Chapais and Matagami, for developing an air service and local airports so that businessmen and the general public may travel easily. I said that if cities like Val-d'or and Rouyn have rather large airports, it is probably because those localities and their mining industries have developed rapidly.

But in the areas of Chibougamau-Chapais and Matagami mining developments have taken place in the last few years and there seems to be no end to them. New deposits are being discovered and the mining companies are becoming more and more interested in those areas. That is why I am asking the minister to consider the request to open up airports there.

I mentioned the city of Amos because it is located in the middle, at the heart of all that area of northwestern Quebec which is called Abitibi and which includes in general Rouyn-Noranda and even the Témiscamingue area. In view of its geographic location and the developments taking place in the vicinity the city of Amos is urgently requesting the building of an airport.

When I asked the Department of Transport to provide concrete support to those municipalities so as to enable them to develop airports, here is the answer I got. On February 20 last, an employee of the Department of Transport, working at the Montreal international airport, sent me the following letter:

> Our department has one million dollars per year at its disposal to develop airports such as the one proposed for Matagami, and this amount must be sufficient for all the provinces of Canada.

Please note, Mr. Chairman, that he says "for all the provinces of Canada". And he goes on:

> Unfortunately, applications for the fiscal year 1967-68 are very much in excess of this million.

Mr. Chairman, the area I represent is not the only one to ask for developments, as far as air services are concerned, or to ask for the construction of airports. Now, as we have only one million dollars distributed among our ten provinces, one understands immediately why developments are as slow as they are now.

Consequently, I beg the minister to intercede with the Minister of Finance (Mr. Sharp) so as to get additional funds for the construction of local airports and to place at the disposal of municipalities the subsidies necessary to build these airports which we need for the development of our northern areas.

Last year, I had the opportunity to visit the Northwest and Yukon Territories. In all the sparsely populated places which we visited, we found magnificent airports that served this area very well. So, I wonder why we are not more anxious to serve the populated cities, where primary industries are established.

For the last two days, we have been studying the estimates of the hon. minister. I hope he listened to my representations as carefully as to those of my other colleagues in this house and that he will give due consideration to my requests and to the problem I submitted to him, so that these airports may be developed, if not in 1967, then in 1968 at the latest, for they are urgently needed.

Now, Mr. Chairman, before concluding my remarks I should like to present another request to the minister, still concerning air transport. For the last two weeks, in particular, I have noticed the lack of seats on Air Canada planes flying between Rouyn and Montreal.

Several times, when trying to make reservations on the plane going to Ottawa, I was unable to get a seat. I had to take other means of transportation to go to the capital for not only was the plane full, but dozens of people were waiting. Therefore, I ask the minister to consider the possibility of doubling the number of flights between the towns

of Rouyn and Montreal, in order to meet the demands of the people who wish to travel by Air Canada.

Mr. Chairman, these are the recommendations I wished to make to the minister tonight while considering his estimates, and I hope he will give them due consideration, for they are urgent and pressing.

[*English*]

Mr. Olson: Mr. Chairman, under the minister's estimates I wish to discuss such matters as regional air policy, air service in western Canada, the application of the new transport act and matters related thereto and those matters that are being held in abeyance until the new act and the commission to be set up under it become operative. I shall pass up the opportunity of speaking on these topics because I am anxious to hear from the minister about the new freight arrangement between the Canadian Pacific and one or more of the coal mines in the Crowsnest Pass. I do so hoping that the minister will reply to the questions that I and other hon. members have asked about these other matters.

If these coal companies, in order to stay competitive in the supply of coal to an offshore market, Japan, had arranged with a United States railroad to haul their coal through the United States and back into Canada via a longer route, it would have been unfortunate for Canada. I hope a comprehensive agreement has been reached between the mining companies, the Canadian railroads and the Japanese to enable us to get on with the business of expanding the production of coal in the Crowsnest Pass and delivering it to what has apparently evolved into a long-term, steady market.

• (5:50 p.m.)

Before resuming my seat, in the hope that the minister will answer my questions I wish to raise another matter. No one has criticized the railways more than I have for failing during some crop seasons to deliver wheat from the Canadian prairies to export position. I do not apologize for criticizing, but to be fair I must commend the railways for some of the outstanding operations they have conducted. I want the minister and the management of the railways to know that we commend and congratulate them on the excellent job they have done in moving grain from the prairies into export position during this crop year. The volume of grain hauled from almost all regions of the prairies from August 1 until now has been substantially higher than at any time in the past. Generally speaking, there is satisfaction throughout western Canada, and in southern Alberta in particular, with the volume which has been moved during the course of the year.

Southern Alberta was one of the areas which appeared to be faring badly last year and the year before. We were left until the last. This has changed, and I think we have had our fair share of the available transport all through the season. I want to express my appreciation to the minister and to the railway companies for doing a commendable job this season.

I sit down now hoping that the minister will give us detailed information respecting the new arrangement between the railways, the coal mining companies and Japan so that we may bring about the expansion of the mining industry and turn the area into a prosperous part of Alberta once again.

Mr. Haidasz: Mr. Chairman, with only seven minutes remaining before private members' hour begins I do not believe the minister will have time to answer the numerous questions which have been addressed to him during the discussion of the estimates of the Department of Transport. However, I will forgo my speech and confine my remarks to questions which directly affect the city of Toronto. I speak as the representative of one of the larger areas of Toronto bordering on lake Ontario.

I should like to ask the minister, whose departmental responsibilities include studying the weather and other aspects of our climate, to tell us what plans have been made to combat air pollution. I notice that under vote 40 there is approximately $185,000 set aside for grants to universities in connection with this problem. Air pollution is a major problem in the city of Toronto and I hope the minister will have something to say about it when he replies. I heard recently from an engineer who is an expert on air pollution that commercial jet aircraft contribute significantly to this nuisance. Apparently one jet aircraft taking off contributes as much air pollution as 10,000 automobiles.

I should like the minister to tell us also what plans have been made by the department for additional airport facilities in Toronto. Also, what is to be the future of the Toronto Island airport.

Again, of course, there is the serious problem of water pollution. We in Toronto on the shore of lake Ontario do not have one beach

which is safe for swimming. I should like to see a strengthening of the regulations applicable to shipping as they relate to the discharge of ordure and garbage.

My final question is whether measures are being taken to make boating safer in Canada. I commend the department on the informative pamphlet "Safety Afloat" which has received wide distribution and has been appreciated by the boating public. But the public are also asking questions about the results of the departmental effort to develop safer lifejackets. I hope the minister will be able to throw some light on these points.

Mr. Peters: Mr. Chairman, a few moments ago the hon. member for Chapleau raised the subject of air transportation to northern Quebec. As the representative of the riding of Timiskaming in northern Ontario I support the representations which the hon. member made because they affect my riding too.

Surprisingly enough, the only air service in my part of northern Ontario consists of one flight a day along the route Montreal-Ottawa-Val d'Or-Rouyn-Earlton-North Bay Toronto. At the same time the service is duplicated in the opposite direction from Toronto to Montreal. Over the years there has been a great increase in travel in this area and recently, as the hon. member pointed out, it has been difficult to get a reservation on this flight. However, I remember travelling on it not long ago when there were only four or five passengers on many parts of the run. It seems to me this is the type of service which Air Canada must maintain even if there is no financial advantage from it because it covers a large area and meets an undeniable need.

Very often the service is the only means of conveying sick or injured people rapidly to places of treatment. It is not uncommon to find stretcher or hospital cases carried on these runs. I have been a passenger on several occasions when unusual things occurred. A few months ago the plane on which I was travelling was held in Val d'Or for the arrival of a patient from the hospital there. When the patient arrived we learned that a baby had been born prematurely some 20 minutes before the plane was due to leave. Since the nursing sisters did not have the necessary facilities to deal with the case in their hospital they had decided to use the air service knowing it would be a matter of minutes before the child could be taken care of in one of the large Montreal hospitals where all the necessary equipment was available. It often happens that accident victims are put on the plane in the knowledge that within a short time they can be treated at one of the major hospitals.

As I say, passenger traffic in this area is increasing rapidly and Air Canada does not seem able to cope with it. Undoubtedly the geographic location of the communities to be served has created difficulties but at the same time I feel that the requests from the area for a better service between Ottawa and Montreal should be given consideration. May I call it six o'clock?

The Chairman: It being six o'clock and in order that the house may proceed to the consideration of private members' business, I do now leave the chair.

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

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before the next business is called I should bring to the attention of the house that the questions to be raised at the time of adjournment tonight are as follows:

The hon. member for Lotbinière (Mr. Choquette), Broadcasting—Building of relay stations to retransmit C.B.C.'s French speaking programs; the hon. member for Skeena (Mr. Howard), Public Works—Hazelton, B.C.—Request for federal action.

• (6:00 p.m.)

HOUSE OF COMMONS

SUGGESTED APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER CONSTITUTIONAL AND PROCEDURAL CHANGES

Hon. R. A. Bell (Carleton) moved:

That this House regrets that the authority and effectiveness of the House of Commons has declined, is declining and will continue to decline unless basic constitutional as well as procedural changes are undertaken immediately, and therefore resolves that a Special Committee of fifteen members, to be designated at a later date, be established to consider and from time to time to report upon the operations, efficiency and effectiveness of parliamentary institutions and of the system of responsible government within the federal domain, and to recommend such changes in structure, conventions, or practice as would enhance the authority, prestige and sovereignty of this House and restore the independence and effective influence of private members of Parliament, and without restricting the generality of the foregoing, to consider *inter alia* the feasibility and desirability of:

abolishing the Royal Power of dissolution; institution of fixed dates of election, subject to power in the House of Commons itself to order an earlier date of election; abandonment of the constitutional convention whereby defeat of the Government in the House of Commons will normally result in a dissolution and the substitution therefor of a practice which would enable this House to determine in such event whether a government should continue in office, another government replace it or an election be held forthwith; provision that the House of Commons would have such continuity of existence that parliament might be summoned in event of an emergency arising during an election campaign; a requirement that financial provision for government be made before an election and the abandonment of the use of Governor General's warrants; changes in practice to enable the Commons more effectively to fulfil its traditional functions of making ministries responsible, initiating legislation, controlling supply and redressing grievances; and the adoption of other changes and reforms which will close the bewildering gap between the way in which parliamentary institutions and responsible government are supposed to work in theory and the way they do work in actuality.

[*Translation*]

Mr. Speaker: The hon. member for Lotbinière (Mr. Choquette) rises on a point of order.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I put resolution No. 36 on the order paper. The hon. member for Winnipeg South Centre (Mr. Churchill) rose on a point of order saying that my resolution should not be on the order paper. You took the case under consideration and said that you would make a ruling.

As you have mentioned, Mr. Speaker, I understand that the matter was not urgent. In my opinion, the resolution which we are to consider raises the same problem as resolution No. 36, that is—

Mr. Bell (Carleton): Oh. Not at all. Ridiculous.

Mr. Choquette: Mr. Speaker, may I conclude my remarks? If the hon. member wants to reply, he may do so after. I have some authorities to quote, if it can enlighten you. On the other hand, knowing that you are well-informed, there is no need for me to read those authorities.

Motion No. 1 is as follows Mr. Speaker: That this house consider the desirability of abolishing the royal power of dissolution. Now, there is no constitutional authority in Canada or in the Commonwealth which would maintain that the power of dissolution is not an important royal prerogative.

Now, in 1966—

Suggested Committee on Procedural Changes

Mr. Speaker: Order. The hon. member must know that it is not the duty of the Speaker of the house to consider constitutional matters but simply to rule on points of order.

It is quite out of the question to consider the constitutionality of the notice of motion by the hon. member for Carleton (Mr. Bell).

Mr. Choquette: I shall proceed otherwise, Mr. Speaker, and remind you that a similar situation occurred in 1966 at which time the right hon. Leader of the Opposition (Mr. Diefenbaker) asked you to consider the possibility of removing from the order paper a bill which according to him sought the abolition of a royal prerogative.

You then took the matter under advisement, Mr. Speaker, as reported on page 4220 of the 1966 *Hansard*, and without ruling on the merit of the question you said, while indicating that if there were resolutions affecting royal prerogatives, you might consider deleting them from the order paper.

In 1966, Mr. Speaker, you decided that the bill to abolish the right of the cabinet to commute the death penalty did not affect a royal prerogative since it did not alter in any way section 658 of the Criminal Code which read as follows:

Nothing in this Act in any manner limits or affects Her Majesty's royal prerogative of mercy.

Now, the hon. member for Winnipeg South Centre (Mr. Churchill) wants notice of motion No. 36 stricken from the order paper, and you said that you would make a ruling, Mr. Speaker.

I am under the impression that if the hon. member for Carleton, who proposes the removal of the royal power of dissolution—which I think is an erosion of the powers of the crown—is entitled to introduce his notice of motion today, I am discriminated against, because you have not yet ruled on the validity of notice of motion No. 36.

Accordingly, I suggest that the hon. member's notice of motion should not be considered before a ruling has been made by Mr. Speaker.

[*English*]

Mr. Speaker: Order, please. I wonder whether we should proceed with this discussion. I wish to advise hon. members I would be pleased to hear their views, but I have given whatever thought is required to be given to this problem since it was raised originally by the hon. member for Winnipeg South

Centre. The reason, of course, that no decision was given is that it was a theoretical point in view of the fact that the particular motion had not come before the house. We now have a motion which according to the hon. member for Lotbinière raises the same point of order. If the hon. member for Lotbinière raises the matter as a point of order I am quite prepared to indicate what my views are. This can be done very quickly, but if hon. members wish to express opinions so that these will be inscribed on the record for posterity, although they will not influence my decision, they will be allowed to do so.

Mr. Knowles: Mr. Speaker, the challenge to put something on the record for posterity is one that is difficult to resist, but I can tell you that is not the reason I rise to say just a word or two in this regard. I should like to express the opinion, and I do so with great respect for my hon. friends from Winnipeg South Centre and Lotbinière, that both their points of order are phony. I suspect that the hon. member for Lotbinière is merely retaliating against the point of order raised by the hon. member for Winnipeg South Centre, but surely there are no limitations of this kind against the right of members of this House of Commons to bring propositions before parliament. Of course, as private members we are limited with regard to moving items which involve the expenditure of money and we are limited concerning the number of resolutions we may have on the order paper, but I know of no limitation against our asking for any change in any law of this realm.

I am not expressing an opinion for or against the proposition advanced by the hon. member for Lotbinière or the one put forward by the hon. member for Carleton. However, as a member from the floor I should like to say that both of them have the right to present their propositions. Your Honour was perfectly right in pointing out that it is not the duty of the Chair to rule on constitutional questions. One reason Your Honour cannot rule on constitutional questions is that it is up to the house to make the decision in respect of the laws it wants to pass. If they are unconstitutional, the courts make that decision. Your Honour has to put a question to the house even if it involves you personally. This will never happen to you, but the rule that you would have to do so indicates that you would be exceeding your authority if you suggested that either of these propositions should not be before the house.

As I say, Mr. Speaker, I make no comment on the substance of either proposition, but I

defend the right of both members to place before hon. members the propositions which are contained in their notices of motion.

Mr. Bell (Carleton): I rise only for one purpose, Mr. Speaker, because I do not wish to intrude upon the time I should like to take for serious discussion of a serious matter. Your Honour indicated there was some suggestion there was a similarity between this motion and that of the hon. member for Lotbinière in his view. I should like to say in all seriousness that there is none whatever and that a greater misunderstanding of the purposes of this motion could not be given than that which the hon. member for Lotbinière has advanced. There is no member in this chamber who has a greater respect for the crown and the traditions it represents than I have. I want to treat the silliness of the hon. member for Lotbinière with the disdain and indeed the contempt it deserves.

Mr. Knowles: Was that a speech on a point of order?

Mr. Speaker: I assume the hon. member was speaking to the point of order. Hon. members will realize, as I said a moment ago, that I have given the matter some thought and that the decision I have reached after giving whatever consideration was required is obvious for the very reasons advanced by the hon. member for Winnipeg North Centre. I might say in passing to the hon. member for Carleton that I did not suggest there was a similarity between the two questions, the one raised by the hon. member for Lotbinière and the one raised by the hon. member for Winnipeg South Centre. If the hon. member will read the record he will see what I stated is that in the argument advanced by the hon. member for Lotbinière he claims there is, but of course that does not mean that the Chair agrees with him.

• (6:10 p.m.)

I think I should repeat what I said a moment ago. It is not for the Chair to rule on constitutional points but rather on points of order. The hon. member has not cited for my guidance any standing order of the house affected by the propositions in the form in which they were advanced. Nor did the hon. member for Winnipeg South Centre cite any such standing order.

Mr. Bell (Carleton): With great respect, Mr. Speaker, please do not put our motions in the same category. I resent that deeply.

Mr. Choquette: They are the same.

Mr. Speaker: Order, please. It is difficult for the Chair to make a ruling at this time without referring to both points. Perhaps hon. members would like me to make one ruling, sit down and then stand and make a second ruling.

Mr. Bell (Carleton): I will withdraw my motion if this is the way the House of Commons is going to be conducted.

Mr. Choquette: They are the same.

Mr. Speaker: Order, please. Both notices are in abstract form and have been put forward in the form of recommendations asking the house to consider taking certain steps. Were either or both of these motions adopted they could not in themselves affect any of the prerogatives or functions of the crown. I am in agreement with this point advanced by the hon. member for Carleton, as well as the other points he has advanced. In view of the ruling I think there should be no further intervention in the matter and that the hon. member for Carleton should be allowed to proceed with the presentation of his argument in support of his motion.

Mr. Bell (Carleton): Mr. Speaker, last session I indicated that one of my personal centennial projects was to stimulate discussion and analysis in depth of the existing state of parliamentary institutions and responsible government. That is the object of this motion which obviously from its length is an omnibus one and virtually a speech in itself but which is modeled directly upon my private member's Bill No. C-61 now on the order paper. Bill C-61 spells out my current thinking and proposals in specific legislative form. There are members in this house who apparently have not read it.

In my view parliamentarians, political scientists, journalists, and indeed the public generally have become much too traditionalist and conventional in accepting the existing state of parliamentary institutions as the last word in democratic achievement. Most of the discussion about parliament relates to procedure, to rules, and to the standing orders. Almost none of the discussion affects the institutional aspects, the excellence of which seems to be taken for granted. If parliamentarians in the 1860's had been as self-satisfied about the excellence of governmental institutions as almost all their successors are today we should never have achieved confederation 100 years ago.

Suggested Committee on Procedural Changes

Canadians in the early days were the greatest political innovators of the democratic world. We were the real authors of the system of responsible government. We were the first to engraft a federal system of government upon the parliamentary system. Our originality in this respect has been admired and emulated in many parts of the world. Soon after confederation our political originality seems to have been stultified. Most parliamentarians and most political scientists accepted the responsibility of defending the status quo as the ultimate in political wisdom.

The last words of this motion state my opinion of the real problem. I believe that there has arisen, and I quote these words from the motion:

> —a bewildering gap between the way in which parliamentary institutions and responsible government are supposed to work in theory and the way they do work in actuality.

Never have theory and practice been more widely separated. These words of the motion are based directly upon a comment by the leader of the House of Commons at Westminster, Richard Crossman, during a brilliant speech in that house on December 14, 1966. I quote from the British *Hansard* at page 482:

> —there is one aspect of our institutions which is pernicious mumbo-jumbo. This is the wide and, to the ordinary elector, the baffling gap between the way in which our parliamentary system is supposed to work according to its procedures and the way it actually works in real life, between what we purport to be doing and what we actually do. It is this gap between parliamentary theory, parliamentary procedure, and parliamentary practice which, in my view, is largely responsible for the decline in the prestige of the House of Commons.

To that, Mr. Speaker, I say, amen.

This motion would provide the technique for the study in depth of that baffling gap. In my view there are three basic problems. First, the transfer of power from parliament to the executive has gone much too far. Second, so called responsible government has ceased in fact to be responsible and, third, independence in thought and action of the private members of parliament has been dangerously curtailed.

The late R. MacGregor Dawson put his finger directly on the problem, and I quote from the fourth edition of his "Government of Canada" at page 400:

> Responsible government would appear to have suffered a strange and alarming inversion: the cabinet is no longer responsible to the Commons; the Commons seems instead to have become responsible to the cabinet.
>
> That there is a substantial measure of truth in this, no one can deny.

Suggested Committee on Procedural Changes

Dick Crossman in his introduction to the latest edition of Bagehot sounds the same note on page 22 where he states:

> Collective responsibility combined with the threat of dissolution have enabled the cabinet to become master of the assembly that created it.

To this truth we must add a further statement of Crossman at page 51 of his introduction:

> The post-war epoch has seen the final transformation of cabinet government into prime ministerial government.

Instead of being what he once was, *primus inter pares*, the prime minister has achieved the position of grand vizier, never intended by the theorists or early practitioners of responsible government. I am not alone in so believing, and I quote from the *Globe and Mail* of January 10, 1967:

> Opposition Leader John G. Diefenbaker says the office of prime minister of Canada has become all-powerful.

The article then states:

> "The prime minister used to be regarded in the days of Macdonald as the first among equals," Mr. Diefenbaker said. "That no longer applies today. He's the first. There are no equals.
>
> The prime minister in the days of Macdonald was not all-powerful. Today he is. When I say all-powerful, I refer to the period before an election. During an election, of course, democracy is restored."

That is a rather significant and discerning comment, and the inferences to be taken from it are rather considerable. The article then quotes the right hon. gentleman from Prince Albert as follows:

> "But between elections the power and authority of prime minister today is far beyond what it was in the days of Macdonald."

What I believe has happened is that we have engrafted much of presidential government upon the parliamentary system, without the checks and balances inherent at least in the United States system. Other factors involved in the shift in emphasis in power are the modern growth of the cult of personality, intensified by television, the hardening of party loyalties, the intensification of party discipline, the leader's control over the party machine, the virtual transfer of the power of dissolution into the hands of one man, the prime minister, and his use of the threat of dissolution as a disciplinary measure against ministerial and parliamentary colleagues alike, the rarity of resignation on questions of principle, the increasing percentage of parliamentarians of the majority party involved in some aspect of administration. Yes, all these are factors which I suggest tend to make myths of the traditional concepts of responsible government.

• (6:20 p.m.)

Ministers of the crown have come to feel themselves the agents of the prime minister, owing allegiance to the man who gave them their job, rather than servants of the Commons. With great respect, sir, I submit that ministers now concern themselves more about their relationship with their chief than with their responsibility or accountability to the Commons.

The most unfortunate by-product of this bewildering gap between theory and practice that I speak of in the last section of this motion has been the drastic curtailment of the independence of the private member. In my submission, what parliamentary institutions need more than anything else is a genuine restoration of the real independence of the peoples' representatives. The House of Commons needs to be made once again the real master of the administration. I believe we need to restore cabinet government as opposed to prime ministerial government and to make the cabinet actually responsible to the Commons, to correct what Dawson described as the "strange and alarming inversion."

With these objectives, the motion proposes that a special committee study a number of proposals listed in the motion. The first is the abolition of the royal power of dissolution. Let nobody be silly enough to continue the talk of the royal power of dissolution. It is not a royal power today; it is a prime ministerial power. I propose in substitution therefor the institution of a system of fixed dates of election subject, however, to a power in the House of Commons itself, not in the prime minister to order an earlier date of election.

The so-called royal power of dissolution, as I have said, has become in fact a prime ministerial power. Since 1926 the reserve of authority with the sovereign has virtually disappeared. There is no advantage in blinking this fact. Mr. St. Laurent, by devising in 1953 the technique of an instrument of advice for prime ministerial recommendations, effectively put the power of dissolution in the exclusive control of the prime minister acting alone and without the consent of his cabinet colleagues. Dissolution is one of the four things that a prime minister can recommend by instrument of advice without a minute of council, in which latter matters a quorum of cabinet must concur.

I interject to say that I prepared the groundwork for this speech by a number of questions placed on the order paper in the last session. The answers to these questions are revealing in outlining the change in constitutional structure, and I venture to give the references to them: sessional paper No. 217, tabled in the House of Commons February 15, 1966; *Hansard,* pages 2280, 3776, 4062 and 6749.

The power of dissolution is a carry-over from the days when the monarch was all-powerful and at will could send the people's representatives packing. Despite my good friend Dr. Eugene Forsey, who I think is one of our greatest Canadians and with whom I generally agree, the power of dissolution has become obsolete, has no inherent magic as a political instrument. Other reasonably enlightened nations manage to survive without it.

It has been argued in the press since my private member's bill was introduced that without this disciplinary power a prime minister would be powerless. I submit, sir, that this is a gross overstatement. Personally, I do not believe any one member of this House of Commons should have the exclusive right to terminate the life of this chamber. Equally, I do not believe that any one member, whether he be from Prince Albert or Algoma East, should have a disciplinary club to hold over independently-minded private members.

The concomitant, of course, of the abolition of dissolution must be the institution of fixed dates of election. Personally, I believe that if the life of this house were fixed we would have much less partisanship, at least for two or three years; we would be able to plan and execute our legislative and investigative program and do so in a much more efficient and expeditious manner. Would parliamentary stalemate be a possible result of fixed dates? I submit not. It is to avoid just such a possibility that I would propose a power in the House of Commons itself to fix an earlier election date. My proposals in this respect are set forth in detail in Bill C-61.

The next matter which the motion suggests for study by a special committee is the abandonment of the constitutional practice whereby defeat of a government proposal is considered defeat of the government and normally leads to an election. I propose the substitution therefor of a new constitutional practice which would enable this house itself, in such event, to decide whether the government should continue in office or be replaced by another government or an election held forthwith.

On all government measures I believe the members of this house should have full independence of action without concern about the electoral consequences of defeating a government proposal. Each of us is sent here because our constituents have confidence in our judgment on public issues. But as soon as we arrive here, particularly when we are supporters of a government, we surrender our judgment to a system which makes mere voting robots of us.

It may be said that you cannot have 265 independent exercisers of judgment without chaos. I do not believe that. I have confidence in the general good sense of legislative bodies and confidence in my parliamentary colleagues. I think the people are entitled to expect and to receive the independence of judgment and action of each one of us. But so long as the present system continues the role of the private member supporting the government inevitably will be one of frustration and humiliation, a mere cog in a parliamentary machine designed for different and earlier days. I think we should ask ourselves, is it not possible that we can agree that the more leisurely days of Simon de Montfort or even those of Sir John A. Macdonald may have disappeared?

There are two other matters dealt with in this motion upon which I think there should be little basic disagreement. In my submission, sir, it is necessary by some technique or other, I care not what, to provide for continuity of existence of the House of Commons. In these days of rapidly developing crises both international and national the nation cannot afford to be without a legislative body for periods of 90 to 100 days. Yet that is what dissolution achieves. Dissolve parliament and the country becomes legislatively impotent for 30 days after an election, which election normally takes about 60 days. A parliament dissolved cannot be "undissolved". War, railway strike or any other emergency, with which only parliament can deal effectively, must await the return of the writs of election. How preposterous this is in this day and age.

The proposal I make in this motion is that each House of Commons have continuity of legal existence until its successors are elected, and thereby we would always have a legal, legislative authority to be summoned to deal with crises. Whether or not we adopt my suggestion of abolishing the power of dissolution, I submit that it must be changed or

amended so as not to leave the nation legislatively powerless for periods which in today's rapidly moving world are relatively long.

I might point out by way of illustration that this appears to have been just the problem that deterred Mr. Mackenzie King, in view of the dangerous international situation in 1939, from advising a dissolution of parliament in the summer of that year. If he had done what he would like to have done, Canada would have been caught without a House of Commons at the outbreak of world war II. Would any Canadian feel confident if this parliament were in a state of dissolution at this particular time when conceivably we could be on the verge of another war of major proportions?

• (6:30 p.m.)

Finally, this motion would seek a study of the means of doing away with Governor General's warrants—a system of procedure which I believe is a denial of the basic function of the House of Commons. Four times in recent years parliament has been dissolved and there has been a massive resort to Governor General's warrants. After the dissolution in 1963 it fell to my lot, as the acting minister of finance, to sign the recommendations for Governor General's warrants and, sir, I say to you that no more distasteful duty ever came my way. I interject to say that the then minister of finance was wise enough to spend the whole election period in his own riding. He was re-elected, but I was stupid enough to try to carry my own portfolio and be acting minister for several others. As a result on election night I was left in a situation which I have since rectified.

In my submission these Governor General's warrants are an intolerable denial of the basic authority of the elected representatives. Indeed they are a thumbing of the nose at democracy itself, and the proposal for study in this motion would mean that parliament would be required to make financial provision for the administration of the government before an election. A concomitant would obviously be the repeal of the provisions in the Financial Administration Act for Governor General's warrants.

Already my speech is as long as the motion. However, I hope I can induce serious hon. members opposite to take this motion in the spirit it was intended, and to agree to the appointment of a special committee. Perhaps I might even have the vocal support of my best advocate, whom I would now like to quote from the Ottawa *Journal* of December 24, 1966. Perhaps, sir, you can see whose picture is on the page from which I am quoting. It reads as follows:

> We might take the lead in adapting old institutions to new problems. I think, for instance, we could bring about a drastic change in our parliamentary institutions, not tinkering with a rule here and a rule there, but getting down to a real examination of parliamentary institutions and how they function in the face of new problems and new opportunities. If they are in default, if they are not living up to the necessities and the opportunities of this new age, then let us change them radically. And I believe this can be done without destroying the values and the principles and the traditions of parliamentary self-government.
>
> Question—Do you suggest moving toward a congressional system?
>
> Answer—I used to take a dim view of the congressional as opposed to the parliamentary system. I still think our system has some basic advantages because, for one thing, it brings the executive into closer touch with the representatives of the people. But it also has some disadvantages, and I wouldn't be surprised if one day we find, as is so often the case, that the best solution would be the adoption of the best of both systems. This is the traditional Canadian approach to things—we take the best of the American and the best of the British and try to build up something Canadian. But I get very impatient these days when we spend hours in the House of Commons arguing whether one rule or another will be changed, whether we'll have ten men stand up instead of one man in order to block something. We have already made some very useful changes. But I would like to see a very thorough, non-partisan examination in depth of our parliamentary institutions.

So would I, Mr. Speaker. Whose words were those? They were the words of the right hon. member for Algoma East, the present Prime Minister of Canada. What I am trying to do by this motion is precisely what the Prime Minister advocates, that is bring about a very thorough and non-partisanship examination in depth of our parliamentary institutions.

[*Translation*]

Mr. Choquette: M. Speaker, first of all, I should like to reassure the hon. member for Carleton (Mr. Bell), who has just resumed his seat, that I have nothing against him and that I am not attacking him personally when I question the validity of the motion before the house.

However, your judgment has shed light on the situation, Mr. Speaker, and we are now considering a resolution for a measure of parliamentary reform which most of the hon. members, if not all, advocate with special enthusiasm.

I am glad to read the integral text of this motion, because I now feel less alone in the House of Commons. Since my election to this

house, in all good faith, without fanaticism and in answer, I am sure, to a wish dear to the younger generation of Canadians that certain colonial traditions be put aside, I have always put on the order paper a resolution with that object in mind.

And now the hon. member of Carleton wishes to abolish the royal power of dissolution. This has made me feel that the house supports my objectives, which I would not call republican but which are the abolition of all symbols of colonialism and the proud affirmation of Canadian sovereignty, both symbolically and in practice.

However, before supporting the resolution of the hon. member for Carleton, it would be useful to know the concept or philosophy of the Conservative party as far as the royal prerogatives are concerned.

As recorded in *Hansard* of 1966 on page 4101, the Leader of the Opposition said the following:

> Mr. Speaker, I rise on a point of order in respect of the bill entitled "An act to amend the Criminal Code (repeal of power to commute a sentence of death)." This bill should not be before parliament and it has no place on the order paper. There can be no interference with the Queen's right to grant mercy, even though this member would abolish the Queen—it is unconstitutional and improper, and cannot be justified on any ground.

● (6:40 p.m.)

Why did the Leader of the Opposition say such words? Because he thought that I wanted to abolish, by presenting this bill, a royal prerogative which consists in commuting to life imprisonment a death sentence. But, Mr. Speaker, is there a more important royal prerogative than the power of dissolution of the houses. Can there be a more important royal prerogative than this one: the dissolution of the houses; if the sovereign is to be made simply a symbol and if all his prerogatives are to be eliminated, it is necessarily a step towards the abolition of monarchy. No one in his right sense will deny it. No one can objectively claim that he who favours the abolition of the power of dissolution does not tend to lead our country step by step to the abolition of monarchy. It is clear. The member can protest as much as he wants but I shall go into his constituency of Carleton and show the population that, in fact, this is the hidden purpose he is aiming at. He wants to achieve indirectly what other members are trying to accomplish more directly and more openly.

Suggested Committee on Procedural Changes

Mr. Speaker, the preamble of this motion is most interesting. It says:

> This house regrets that the authority and effectiveness of the House of Commons has declined, is declining and will continue to decline—

I shall ask the hon. member for Carleton seriously to examine his conscience. If the authority and effectiveness of the house have declined, is it not first and above all due to certain improper debates we have had to suffer during the years 1963-64-65? Let us recall the debates on the distinctive flag, during which the members of the Conservative party gave out 175 speeches and more against the adoption of a distinctive flag.

Who at that time, contributed most to reduce the prestige of the Canadian parliament if not those who filibustered as never before in the past? Who contributed more to the decline of the Canadian parliament and attempted to reduce this institution into an abject state where no legislation could be passed nor Canadian policy discussed?

All we heard around here was talk of scandals. The Rivard affair, the Banks affair. Who brought this up unceasingly, if not the members of the opposing party? And then it will be claimed that the authority and effectiveness of parliament is declining simply because there was no change in procedure or constitutional reform.

What matters above all, Mr. Speaker, if our institution is to have the prestige it deserves, is that those who sit here should know how to behave. That is the basic principle of the efficiency and prestige of our parliamentary institution.

By dealing solely with scandals as was done for years and even after the general election of 1965, the member for Yukon (Mr. Nielson) who seems to have disappeared, and the member for Sainte-Marie (Mr. Valade) wanted to launch a debate on fraudulent bankruptcies through all kinds of insinuations. Did they not contribute to the loss of prestige of parliament? Had it not been for the former minister of justice, Hon. Lucien Cardin, who may be blamed by some for having had the audacity of holding a press conference, which some said was rather undesirable, had it not been for him, that witch hunt would have continued, the scandal-mongering would have continued and the authority of parliament would have diminished accordingly. It is not that there is a lack of constitutional reforms, of procedural

changes, but rather that some members lack manners and did not prove equal to the task.

Some hon. Members: Hear, hear.

Mr. Choquette: Mr. Speaker, to come back to the heart of the matter, I should first like to quote Mr. Churchill.

[*English*]

—the real one, former prime minister of Great Britain.

[*Translation*]

In answer to a question put to him, Mr. Churchill replied as follows, and I quote:

[*English*]

He is claiming for the executive now to dissolve parliament and go to the country—

Mr. Churchill replied:

I never said anything of the sort. I must make it absolutely clear that it does not rest with the prime minister to dissolve parliament. The utmost he can do is to tender advice to the crown.

Mr. Bell (Carleton): Which is invariably accepted.

[*Translation*]

Mr. Choquette: He was then asked another question, and I quote:

[*English*]

That, of course, is the law, but in actual fact the advice comes from the prime minister.

Mr. Churchill replied:

This is one of the exceptional occasions when the prerogative of the crown comes into play and where in doubtful circumstances the crown would refer to other advisers.

[*Translation*]

The prime minister of Great Britain, (Mr. Churchill), declared that the royal prerogative of dissolution is one of the most important and that those who want to abolish it are those who are in favour of the abolition of monarchy. I want the hon. member to know that, and that is indeed the reason why I would be ready to endorse this resolution as drafted.

Mr. Speaker, as far as essential reforms are concerned, the hon. member for Notre Dame de Grâce (Mr. Allmand) made, mind you, interesting suggestions when he spoke during the debate on the address in reply to the speech from the throne.

He spoke of time limitations. Instead of allocating eight days to the debate on the address in reply, he suggested to limit it to three days. Instead of six days for the debate on the budget speech, he suggested that it be limited to three days and that members be restricted to relevant matters, that is related to the budget. He also suggested to restrict the time allocated for speeches and also the time for the ringing of the bells which often causes a waste of valuable time in the house. He suggested a great deal of other reforms which should be considered very seriously.

It is my opinion, Mr. Speaker, that the numerous reforms adopted by the present government should be carried out. For instance, a one-hour notice must be given in regard to questions of privilege and the question period has been shortened, while it was unlimited previously. What about the amendment providing for a limitation of a debate, which had to be applied for the debate on the unification of the armed forces. That change proved very worthy, and even though the present government took the initiative of all those reforms, we should continue. I am under the impression that what is needed are more intensive reforms, if our system is to work more adequately.

I think, Mr. Speaker, that the session could be divided into two or three periods, and I wonder whether I am not now expressing an idea perhaps already advanced roughly by the hon. member for Winnipeg North Centre (Mr. Knowles), namely that the session could be divided into two or three periods: one period during which the plenary assembly would sit and another one during which committees would sit and the house not sit; in this manner committees could work much more efficiently.

I also wish, Mr. Speaker, that very serious consideration be given to the American system whereby ministers are not elected, because, as everybody knows, ministers must first of all be election-minded since they must be elected.

• (6:50 p.m.)

Furthermore, parliamentarians who have to sit, answer questions and report to the house on their administration, must also be administrators.

It often happens, in life, that the best administrators are not precisely efficient parliamentarians; the best administrators are those who are not much suited for elections. I wonder whether we could not consider much more seriously the possible implementation of the American system in our country and assess to what extent we could reform parliament so that ministers would not have to be elected.

Mr. Speaker, such as it exists today, we know that the Senate does not produce the results we could expect from such a distinguished house. I wonder whether we should not consider the feasibility of making the Canadian Senate elective and, also, much more representative of the minorities because, after all, it should be in that house that the minorities are protected.

Our country is made up of several ethnic groups, which we are proud to have as components of our Canadian population. They comprise Ukrainians, Germans, Italians, Polish, and that is what makes Canada a richer country. I see that the hon. member for Parkdale (Mr. Haidasz) agrees with me. I think that if the Canadian Senate were reformed so as to be much more representative of all those elements which make up our country, it would be quite an exceptional contribution to our parliamentary system.

In conclusion, Mr. Speaker, I congratulate the hon. member for Carleton for the resolution with a republican connotation which he introduced. I congratulate him for the great reforms he wants to bring about. We are ready to support him. We shall do everything we possibly can so that all the suggestions from individual members may be taken into serious consideration. I am convinced that, in this way, we shall gratify the wishes of the younger generation which believes much more in effectiveness than in symbols.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I do not want to get into the type of vindictive argument that appears to be developing as a result of the introduction of this motion. I believe that had the motion been introduced in a more conciliatory manner it would have received more support. Most people who have studied this motion and others like it, and who have listened to the proposals made by many persons will agree that there is a need for a conference to discuss in depth some of the changes which must be made in our system.

Part of this motion, which has been introduced now for four or five years, goes a long way in this direction. I refer to that section of the motion which deals with the power of the prime minister to call an election; and it is obvious that much abuse of this power has taken place during the last ten years.

Originally, Mr. Speaker, before the King-Byng issue, as pointed out by Dawson, the Governor General had considerable power. At that time I presume the royal prerogative, to which reference has been made this afternoon, was in fact in effect and that the Governor General of the day did have some power in the dissolution of parliament. Since I have been in parliament there have been a number of occasions when there was no justification whatever for the dissolution of parliament; it was merely a matter of the political advantage that could be gained by the prime minister of the day and his party.

This has meant, Mr. Speaker, five federal elections in eight years, and this as much as anything has brought the Canadian parliament into disrepute, not only in the eyes of Canadians but also those people in the newly emerging nations who are concerned with finding a model parliament with which to govern themselves.

This abuse has also led to a situation wherein, for many years now, there has been little constructive legislation which originated in parliament itself. In the main, legislation has been presented by the establishment and accepted by the cabinet. Cabinet ministers have had no time to concern themselves with the intricacies of their departments; they accept the point of view of the establishment simply because they are so busy conducting election campaigns that they are unable to get to know their own departments.

During the years I have been here, which include the four years when the Conservative government were in office, a continuous election campaign has been conducted because members knew that the minute the prime minister decided political advantage would be gained an election would be called. They were also aware of the fact that the Governor General perhaps did not have much knowledge of the parliamentary system or of his role in it, and he became a functionary willing to accept the dictates of the prime minister in this respect.

With regard to establishing a set term for parliament, I did suggest a four year period in a bill I introduced and which has been discussed several times. Some hon. members suggested that this was a republican idea and similar to the United States form of government. Surely, Mr. Speaker, we can accept a method that does seem to work in another country without changing our whole system.

It seems to me that the expression about throwing out the baby with the bath water has applicability to any type of parliamentary reform. In my opinion, I consider a four year

term to be necessary in order to give members three years to conduct the legislative business of the country and a fourth year for campaigning purposes, instead of using all four years as at the moment simply because members do not know which year will be the last year of a parliament.

Obviously, with a four year term there would have to be some mechanism for deciding who would form the government if it were defeated. It is true that if the government were defeated in a major vote of non-confidence, as distinct from the non-confidence motions we now move, the government would have to resign. The royal prerogative would come into effect and the Governor General would be in a position to call on somebody else to form a government. This would not be done on his own initiative, but after consultation with the leaders of all parties in the house. A substitute prime minister who would be acceptable to the other members of the house at the time would have to be found.

If, Mr. Speaker, the situation arose where a suitable prime minister could not be found, then a certain number of members—I suggested 15—would move a motion of dissolution of parliament, and this would mean an election would be held. This motion would have to be supported by 75 per cent of the members of the house. I suggest 75 per cent because I think it would be foolish to suggest 51 per cent. With the lesser percentage the leader of the party would obviously say that if his members did not support his motion for dissolution he would not supply them with any election funds for the coming election. Therefore the majority would have to be considerably larger than just a mere margin.

If the situation arose wherein no government could stay in office and no party could form a government, there would have to be a safeguard to allow for dissolution of parliament when the members of parliament so decided. That is only natural.

Mr. Choquette: May I ask the hon. member a question?

Mr. Peters: Yes.

Mr. Choquette: Does he contend that the royal power of dissolution is an important prerogative of the crown, and that anybody who wants to abolish such a power is eroding the prerogative of the crown? Is the hon. member saying that objectively?

Mr. Peters: It is a matter of semantics. I think the royal prerogative has disappeared now anyway. I do not think it is of any significance here. The royal prerogative has been replaced by certain commitments made by the Governor General, and from time to time they are changed by legislation. The royal prerogative does not exist any longer in Canada, and I do not think it has existed for some time. As a matter of fact, I was surprised to see that the member who introduced the motion used capital letters, because I do not think it exists anymore, or indeed that it has existed since the days of the King-Byng issue even if it was in effect at that time.

I believe that the introduction of this motion, Mr. Speaker, is a worth-while step, and I should like to see the house support it. I believe the Prime Minister (Mr. Pearson) was only playing with words when he made a statement to Peter Newman some months ago. If he really believes in what he said, no harm could result from adopting this motion, which would refer to a committee this very important subject for immediate attention.

Mr. Speaker: Order. The hour assigned for the consideration of private members' business has now expired. The house will now resume the business interrupted at six o'clock.

SUPPLY

The house in committee of supply, Mr. Nasserden in the chair.

DEPARTMENT OF TRANSPORT

1. Departmental administration, $6,655,700.

At seven o'clock the committee took recess.

AFTER RECESS

The house resumed at 8 p.m.

The Chairman: The house in committee of supply on the estimates of the Department of Transport, item No. 1, departmental administration.

Mr. Peters: Before the supper recess, Mr. Chairman, I had been adding my representations to those that had been made by other hon. members from northern Ontario and northern Quebec, and I was saying that additional travel facilities ought to be made available to the public. Much extra traffic from my area has been generated by Expo '67, and much of the traffic increase in the last few years is likely to remain. The hon. members for Timmins and Chapleau talked about the need for new transportation facilities, or for

services. Could the minister not discuss with Air Canada the possibility of having a run from Ottawa to North Bay, then up to Earlton and Timmins, and back to Montreal, relieving the pressure on the run from Rouyn to Montreal, which cannot serve adequately the area I have mentioned? Also could he not look into the possibility of smaller charter or feeder air lines co-operating to a greater extent with Air Canada. Could the charter services not be extended to relieve some of our present difficulties.

Air carriers such as Austin Airways, Georgian Bay Air Lines, and Matagami Air Lines, as well as others operating in this field might provide connections between smaller centres and major Air Canada airfields. The need for such services has developed because the railways have not provided adequate facilities in these areas. If this trend continues the railways will acquire less and less passenger business as more and more the population takes to motor cars and aircraft.

This raises another point. I am informed that trains Nos. 87 and 88 which run out of Toronto are to be discontinued as of July 1. I am not sure whether the service covered mail, passengers and baggage, but it is to be discontinued. The result will be that more people will use the highways.

The current trend was brought home to me when several weeks ago a young group of students chartered a bus to take them from my home town of New Liskeard to Montreal, a distance of approximately 500 miles. I think a train service should have been available for this trip. Were the railways truly interested in passengers they would provide decent accommodation for the use of those passengers. In these days, because a person finishes high school without having been on a train does not mean that he is from the backwoods, but that he has found other means of transportation that are more satisfactory than the railroads.

The minister may not care much about trains Nos. 87 and 88, but I ask him—and through him I direct my question to the Canadian National—whether, if the railway is not interested in operating these trains from Toronto, it might not sell its line to the Ontario Northland Railway. The Ontario Northland or the Canadian National could run an efficient service from Toronto to Hearst, yet the passenger services are inadequate. One travels to North Bay for the connection and takes another train which is overcrowded and has poor facilities.

One takes the O.N.R. to Cochrane and then changes again to the Canadan National to travel to Kapuskasing. Recently the O.N.R. has carried passengers from Kapuskasing to Hearst. That being so, I should have thought that it would be wise for the authorities to arrange to sell to the O.N.R. the line from Toronto I previously mentioned, so that the O.N.R., by operating it, might provide a better service than has been provided in the past. Unless something like that is done the government will have to make provision for other forms of transportation. The services by small feeder lines to areas such as Kapuskasing have not been satisfactory, and better facilities for this area must be provided.

• (8:10 p.m.)

For years we had to take trains at Montreal which arrived, 24 hours later, in Kapuskasing, not a great distance away as a matter of fact. We were accustomed to it, but a visitor from a foreign country would have been surprised to receive a ticket about a yard long, and baffled when it came to making all the changes required. To do this properly required a ticket with at least seven spaces on it, and these tickets were hard to get. It was not easy to find an official who would make one up correctly. He figured he could issue a little one and it would get you there. But it would not work. All in all, transportation in our area has never been very good and I suggest the minister might do a lot worse as a centennial project than make it easier for those who live there to travel to and fro between their communities and the larger population centres.

We are finding great difficulty in establishing industries in northern Ontario because it is so hard to get in and out of the region. The air routes cross at Earlton, for practical purposes, and passengers can decide whether they wish to go from there to Montreal or Toronto. Obviously they cannot go in both directions.

Some hon. Members: Oh, oh.

Mr. Peters: Or in the case of two people, they cannot go in two directions. But I think the minister is well aware of this problem. Representations have been made in regard to it by others representing this part of northern Ontario and northern Quebec. I might add that the Northeastern Development Association has suggested that direct transportation be arranged to Ottawa rather than fly via Toronto or the long scenic route via Val d'Or. I am sure the hon. member for Port Arthur

and the hon. member for Fort William would support this proposal, which has been endorsed by both city councils.

The other comments I wish to make on these estimates concern a subject which has nothing to do with my riding, but in which I have been interested recently. I refer to the hotel ship *Florida* with which I suggest the Department of Transport should be very much concerned. After attending meetings held between the department and the safety council of the St. Lawrence seaway I was surprised to read orders in council published in the Canada Gazette on April 19 referring exclusively to this hotel ship. I am sure hon. members will not have forgotten the *Nordic* which burned in Toronto with the loss of many lives. At the inquest which followed this tragedy it was recommended that a firewatch of at least 15 men was required if similar occurrences were to be avoided. These men had to be trained in both firefighting and lifeboat duties.

The *Florida* is almost twice the size of the *Nordic* and a disaster, if one were to occur, could therefore be twice as serious. This is a vessel which has been condemned in the United States, and very few modifications have been carried out since then. Montreal would not allow it in the port and the vessel is now at Beauceville. As things are, proper fire protection is lacking. I asked whether a fire tug could not be provided in that area by adapting one of the present tugs. The department replied that this was not feasible. Mr. Chairman, when we are considering a danger to lives the cost is not significant; people have to be protected from the consequences of their own folly, if necessary. The S.I.U. has refused to man this ship because the owners will not agree to hire sufficient men. In the light of the finding of the *Nordic* inquiry, that the proper maintenance of fire watches called for 15 men, it seems to me altogether unreasonable to ask sailors to man this vessel. Her engines will not be running and no fire protection is available either from the shore or from the ship, which will be using electric pumps, I presume. I think it is unfair to ask people to man this ship and to allow people who take berths on it to expose themselves to a dangerous situation—one which the Department of Transport seems to have ignored.

I raise this question knowing full well that these orders in council have been passed, as recorded in the Gazette of April 19, and that they must refer specifically to the *Florida* because it is the only floating hotel we have in Canada. The minister has been advised of the danger and of the type of fire service which is required, and in these circumstances I suggest that a great deal of responsibility would rest squarely on the shoulders of some of his senior advisers if a disaster were to break out, since obviously they have advised him that it will not be necessary to add regulations to cover the fire watches. In the event of a tragedy occurring the hon. gentleman would not be in an enviable position. This ship has accommodation for 500 guests on five decks and it appears to me that a fire watch of 15 men would not be too large. If something were to happen it would be a calamity not only for those involved but for Canada as a whole in this centenary year.

Mr. Woolliams: I understand the minister intends this evening to answer various question which have been asked by hon. members in the course of this discussion. Many questions have been put to him and I know he has been making careful notes in preparation for answering them. Because of his courtesy in allowing me a few minutes before he speaks tonight I will try to be brief.

The subject I wish to raise concerns transportation, in particular the transportation of coal by the C.P.R. from the Crowsnest pass, from Canmore and other hard coal areas in the mountains. The big problem is that the freight rates charged now and in the past by the C.P.R. are higher than those charged by the Great Northern Railway in the United States, making it difficult for the companies operating in the Crowsnest pass and adjoining areas to compete with other trading nations in the sale of coke and coal.

The *Financial Post* put it succinctly on May 13 last when it stated:

> Industry sources agree on one point—that expanding the Japanese market depends on a long term freight rate outlay not exceeding $4 per ton from the Coleman-Crowsnest pass area to tidewater.
>
> The CPR's best offer to date is $4.60 per ton, and the producers are convinced the railway will not budge.
>
> The producers contend that the $4 rate would be "more than generous", adding that its acceptance by the C.P.R. would enable them to greatly increase sales to Japan without federal subsidies.

• (8:20 p.m.)

With the greatest respect for the coal operators and the employees in the mines I should like to say that I have never gone along with the idea that we should have to subsidize our own resource in order to trade our coal and in order to keep the railway operators in

business. Our trade with Japan is subsidized at the rate of $4 per ton. I should like to be fair with the present government and say that the subvention was put on by the Conservative government. On several occasions during the orders of the day I have asked the minister whether he, his government, and his department have worked out with the C.P.R. any formula concerning this matter, because the coal operators have suggested coal need not be subsidized at $3.70 per ton as in the past, or $4 a ton, because they could compete without the subsidy if the C.P.R. shipped the coal from Michel, British Columbia to the Great Northern Railway of the United States and then, from a point somewhere in Montana, to Seattle and then on to Japan.

I remember the minister, on an occasion when he was speaking off the cuff, saying that the C.P.R. was one of the biggest enterprises which built this nation. I congratulate him on his facts. Surely in centennial year this government can work out some kind of agreement with the C.P.R. to take that coal at least as cheaply as it could be taken by the Great Northern Railway in the United States. Here we have a Canadian enterprise, one of the biggest in the world—the C.P.R.—which is not able to ship coal through one of the easiest passes in the land, the Crowsnest pass and Canmore, from the area of the hon. member for Kootenay East to Vancouver, and then on to Japan, as reasonably as a company in the United States.

The Crows Nest Industries Ltd. of Fernie, B.C.,—and I am sure the hon. member for Kootenay East will pick up his ears on this —also has contracts to export about 500,000 tons per year, and is negotiating a 10 year $260 million contract. The contract, also with Japanese steel interests, involves shipments of two million tons per year. I am sure the minister will confirm the fact that we have contracts amounting to 1.2 million tons per year for nearly seven years, to 1970.

The report continues:

"Market prospects have blossomed dramatically. Just a few months ago we were happily contemplating sales of about three million tons a year to Japan by 1970. Now it appears sales will be more than double that figure," an industry source said.

What is the problem. Let us take a look at it. The problem is put very succinctly by the *Financial Post* and more briefly than I could put it—and I assure you I should like to put it as briefly as possible:

One way or another, Ottawa will be dragged into a bitter fight between Western Canada's coal exporters and Canadian Pacific Railway Co.

If Ottawa does not intervene now, the coal operators seem ready to build a railway of their own to the U.S. border and ship their coal to the Pacific coast via a U.S. line, the Great Northern.

If the railway gets built, Ottawa will almost certainly have jurisdiction over much of its operation.

If Ottawa does step into the fight now, it would mean—at the very least—one of two unpopular moves:

Continuation and extension of federal subventions on coal shipments for offshore export. Neither the taxpayer nor the coal producer would become this.

Now, just pausing there for a few moments, may I say that we cannot compete with Australia and we cannot compete with the United States in the export of coal to Japan from this nation. We are unable to ship that coal via the C.P.R. as cheaply as via the Great Northern. The government cannot prevent the Great Northern coming through British Columbia, but it does have some jurisdiction when the railway crosses into another province or crosses the boundary between Canada and the United States. It would have some jurisdiction. It seems strange to me that this railway in Canada, the most powerful company we have in Canada today, cannot compete with our United States neighbours in the shipment of coal.

If the government bows to the C.P.R., what does it cost the taxpayer? If we are to sell 1.2 million tons per year working up to three million tons per year, to Japan for their steel industry, for every ton of that coal it will cost the taxpayers of Canada $4. I will be fair to the government and the minister and say that it was our Conservative government which put on the subvention on coal in order to obtain contracts with Japan. When we came to office in 1957 unemployment was rampant in Canmore. The railways had turned from coal to petroleum for their locomotives and as a result many men were out of work; they were on relief and had run out of unemployment benefits. In order to get these men back to work and keep our mines in operation the Conservative government at that time commenced paying $4 per ton subvention on the coal. I am sure, however, that the coal operators and the workers would say that no one expects the taxpayers of this nation to pay $4 a ton in order to get rid of our coal, an asset put by God into our soil.

The problem is on the shoulders of the minister, because he should negotiate—not in a nice way any more, because that has failed —with the C.P.R. We are not asking the C.P.R. to carry the coal at a loss but rather at prices which are competitive with the Great Northern Railway of the United States. Surely that is not much to ask. Coal industry sources say emphatically that they do not want to operate with the taxpayers' help. They claim, in extremely frank terms, that they are the scapegoat in an arrangement under which the C.P.R. collects subsidies which are unjustified. In other words, it is the C.P.R. which is demanding that the government of this country pay $4 a ton to get rid of or unload assets which are depleting. They say that if they cannot get the subsidy one way they will get it another way; that is, by overcharging on the shipments of coal. The report continues:

> They point to a recently concluded agreement between Crows Nest Industries Ltd., a major export coal and coke producer, and Great Northern under which export coal can be hauled to tidewater, despite a major investment and a longer haul at a rate well below that presently charged by the C.P.R.
>
> • (8:30 p.m.)
>
> Federally initiated litigation that would involve, directly, Crows Nest Industries, and indirectly, the British Columbia and Alberta governments, two other major coal producers, and the C.P.R.

That is not necessary and is not the answer. I made that suggestion to our own minister, when we were in office and we all know what happened on that occasion. Let me say it again to you, Mr. Minister. In this regard the C.P.R. should be in the same position as the C.N.R., and the officials of that company should be brought before the standing committee of this house to make explanations and answer the questions of members of parliament, rather than in the minister's office or in the office of the C.P.R. In this way they could indicate to this country through us why they cannot compete with United States companies in carrying coal.

The railway companies are no longer using the old fashioned method of hauling coal with perhaps just three or four carloads in the middle of the train. One has only to visit the area of lake Louise on the main line between Calgary and Vancouver to see trains half a mile in length carrying coal. Today the C.P.R., through automation and the ability to haul coal at a rate per ton cheaper than ever before, should be able to compete with United States railroad companies. If they cannot then the coal operators through me and through the *Financial Post,* which I suggest is a reliable source, have given notice that they will take advantage of the old charter.

Let me remind the minister that under this charter the coal operators have the right to build a railway from Michel to the United States to join up with the Great Northern. In this way the coal could be hauled to Vancouver and exported to Japan at less cost than via the C.P.R. Failing that I suggest there are two alternatives: Either the contracts will be lost to the United States, and the minister knows there are over-riding clauses in these contracts, or this market will be lost to Australia. When I was in Japan in 1958 the steel people told me they were prepared to purchase coal of a lesser quality from Australia than that produced in the Canadian Rockies if the price was 50 cents a ton lower.

The minister must develop a tough policy with the C.P.R. in this regard. It is high time that company automated its operations, and high time its officials appeared before the standing committee. We all know about the Marathon Realty Company which is owned by the C.P.R. and that some of their assets are being transferred to another company. We all wonder whether one day they will come to us and say they have transferred all their valuable assets to another holding company, and we can now have the railway. Perhaps that is their intention, and the minister has heard this suggestion before.

I should like to touch upon one or two other points and I intend to be brief.

Mr. Pickersgill: Oh, oh.

Mr. Woolliams: I have taken only ten minutes and I said I would take fifteen, but I am sure the minister will not laugh off a contract for 1.2 million tons of coal per year, and the estimate that in ten years it will be increased to three million tons. This means employment for about 3,000 men in the mines, many of whom have been unemployed for years and unable to enjoy the dignity we expect for families who live in Canada. This also will increase our export trade and bring in new dollars, because there will be an imbalance of trade between Japan and Canada in our favour.

Let us consider the companies who are worried about this situation. The Coleman Collieries Limited have a 500,000 ton coking coal contract negotiated for 15 years amounting to $160.5 million. Crows Nest Industries Limited have a contract for 500,000 tons per

year and is negotiating another ten year contract valued at $260 million. Canmore Mines Limited has negotiated a 200,000 ton annual contract at an almost comparable value. McIntyre Coal Mines Limited, which is a wholly-owned subsidiary of McIntyre Porcupine Mines Limited is working on extensive coal leases in the Smoky River area on the route of the Alberta Resources railways about 110 miles north of Hinton, Alberta.

The minister has a good sense of humour, and I congratulate him in this regard. The other day when I asked him a question about this situation he said he was the most promising minister in the government. He has been promising me and the province of Alberta to make a clear-cut unequivocal statement in reference to this matter, and it is hightime we received that statement.

The other day the minister gave an answer to a question that had been asked. Unfortunately I was not here and the Secretary of State brought that fact to the attention of the house. She likes to bring things like that to the attention of the people of Canada. Let me say that I am not worried about my absenteeism from this house; I am more worried about doing my job for Canadians. This subject is one of the most important to western Canada today, perhaps the most important, next to improved loading facilities for grain at the Vancouver port. That situation should also be looked into.

The minister gave an answer to a question asked by the hon. member for Kootenay West, not the hon. member for Kootenay East who is very close to the minister and the government. I hope the people of his riding will read what I have said tonight because they are 100 per cent in favour of what I have suggested. They know the minister should be doing something about this situation, and they know that the Canadian government has been sitting on something I cannot mention tonight in the house, doing nothing at all about it.

An hon. Member: Colin Cameron can say it.

Mr. Woolliams: Someone said that Colin Cameron can say it, but he can say a lot of things I cannot say.

On May 23, the minister said this as recorded at page 470 of *Hansard* for that day:

> Mr. Speaker, so far as the first part of the question is concerned, I thank the hon. member for sending me notice ... To the best of my knowledge, unless it happened over the week end, there has been no official notice to the government of Canada that anyone has any intention of building a railway.

My answer to the minister in this regard is that they do not have to give notice, they already have a charter to build a railway through British Columbia from the riding of Kootenay East. The minister then is reported as having said:

> I think it would be unfair to the Crows Nest Industries and other related interests to give the impression that there has not been some informal exchange in respect of this matter—

We have had a lot of informal exchanges and answers, but we have had nothing definite. The minister is afraid to answer this question and afraid to speak up to the officials of the C.P.R. My charge tonight is that the government and the minister have not stood up to the C.P.R. on this matter, and as a result the Canadian taxpayers have had to pay a $4 per ton subsidy to get this contract, worth millions of dollars. A new budget is to come down very soon which I am sure will outline further tax increases.

The minister then went on to say that as far as the relations of the mines and the Canadian Pacific were concerned he was happy to be able to say that they are happy. They are not happy, and there is no agreement between the C.P.R. and the coal operators. The operators are now trying to drive a hard bargain, and have said to the government that they will build their own railway because they do not want to operate on a subsidy at a cost of $4 per ton to the taxpayers.

It is my hope that the minister will make some explanation tonight about this whole situation. He has not given any answer or explanation during the orders of the day in the last three months.

Mr. Pickersgill: Mr. Chairman, notwithstanding the eloquence of—

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I have two small matters I should like to bring to the attention of the committee.

Mr. Pickersgill: I think there was an understanding that I would be allowed to speak as soon as the hon. member for Timiskaming had finished; however, the hon. member for Bow River was so seductive I yielded to him.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I hope the minister will answer the points I will bring to the attention of the committee later.

Mr. Pickersgill: The hon. gentleman knows that his points are always unanswerable.

Mr. Cameron (Nanaimo-Cowichan-The Islands): They are always unanswerable by you, and that is why we have so many questions that are unanswerable by this government.

Mr. Pickersgill: Mr. Chairman, notwithstanding the eloquence of the hon. member for Bow River, I am sure he will not expect me to favour him over other members who have taken part in the debate, but I do promise him I will in due course refer to the subject he has raised. I do not think I will necessarily deal with all points, because some of them seem to be more in the way of representations than matters requiring replies.

• (8:40 p.m.)

I also feel that the first subject with which I should deal is one about which I detected what seemed to be a lack of understanding of certain facts on the part of some hon. members. I am sorry that the hon. member for Edmonton-Strathcona and the hon. member for Swift Current-Maple Creek are not in the chamber at the moment, because they seemed to be unaware of the fact that on March 27 the government announced a policy which involved an extension, in fact a doubling, as soon as Canadian Pacific Airlines were able to make their application and get into operation, of their transcontinental service, and which would provide that the service could operate through Edmonton and Calgary. It seemed to me that for some reason or another the hon. member for Edmonton-Strathcona had overlooked that statement. I do not think I should take up the time of the committee to repeat that statement now, because there are so many questions to deal with; but I will see that the hon. member receives a copy of the statement.

In addition to that, on the same day, March 27, I indicated that because we expected to have a very marked increase in the demand for air services this year, the regional air carriers would be allowed to provide additional charter service to meet the Expo and centennial demands to the extent that they were able to do so.

I think the hon. member for Burnaby-Richmond really put his finger on the problem that faces all of us in this country, so far as air services are concerned, that the air lines in Canada, indeed nearly all the air lines in the world, are competing against the war in Viet Nam, and the competition is very unequal. As long as that struggle goes on, as long as there is the demand for aircraft in that conflict, deliveries of aircraft that are needed and which could be used to provide civilian service are, so far as I can learn, going to be delayed. It does not really matter whether you give a charter to Canadian Pacific Airlines or any other air line; if they have not the aircraft with which to provide the service, it cannot be provided. That is the situation which we in this country face. That is the situation with which air lines in every part of the world are faced.

We all know that air traffic is increasing. The traffic offering is increasing faster than the capacity of air lines to meet it. There is nothing the government or anyone else can do about that. But within the limits of what it is possible to do we have sought to make every kind of improvised arrangement, and the Air Transport Board is continuing to do that, to see that as much equipment as can be made available is made available for this purpose.

The next subject with which I should like to deal is that raised by the hon. member for Vancouver East and commented on by the hon. member for Vancouver Quadra. It is subject quite closely related to that referred to by the hon. member for Medicine Hat and the hon. member for Bow River this afternoon and this evening. I refer to the capacity of Vancouver harbour to handle the traffic that is in prospect in the next few years. I think it will be recognized that, in the last year or so, there has been a very distinct improvement in the whole situation at Vancouver, which has been brought about by a number of factors, one of the most important of which, of course, was the settlement of the long-standing dispute between the Harbours Board and the Canadian Pacific Railway over property rights.

As a result of the settlement of this dispute we are now getting ahead with both private and public developments in Vancouver harbour that probably should have been started a good deal earlier, but could not be started until the title to the property was settled in some fashion. I modestly take a little credit to myself for the fact that this setlement was made, because I indicated when I was in Vancouver a little over a year ago that it was going to be settled one way or another during 1966, and it was settled amicably not very long after that.

The hon. member for Vancouver Quadra pointed out that the capacity of the port of Vancouver was rather dramatically demonstrated the other day by the huge ship that took the largest cargo of wheat that I think has ever been shipped from any port in

Canada. There are two existing bulk loading facilities in Vancouver harbour and there is a third under construction, again on property made available by the Harbours Board and made useable by a dredging program in the last year.

I think we are a long way from having reached the limits of the capacity of Vancouver harbour, of Burrard inlet and of the Fraser river, where vast improvements have also been made in the last few years, including the trifurcation near New Westminster and the increase in docks and other facilities, which have added tremendously to the capacity of the ports of Vancouver and the Fraser river.

At the same time, about seven or eight months ago when I was in Vancouver I announced that we were going to extend the legal limits of the national harbour at Vancouver from the entrance to Burrard inlet right to the international border, and that we would engage engineering consultants to study the future development of that area. That engineering study is now under way.

I can assure all hon. members that it is the intention of the Harbours Board and of the government to see that in so far as we can properly foresee the requirements for this harbour—which I have said once or twice is like the end of a funnel that serves about one third of Canada, not just the lower mainland of British Columbia but most of the province of Alberta and a great part of the province of Saskatchewan as well as all the southern part, at any rate, of British Columbia—we will see that this huge harbour, the fastest growing of all our harbours and already the greatest harbour on the Pacific coast, is developed as rapidly as developments are required in order to handle the traffic.

We have pretty accurate estimates and projections in this respect, and we are sure that the traffic will increase, and increase very rapidly. The question that is most acute at the present time, of course, is whether the existing facilities at Vancouver harbour and those under construction are adequate to handle the exports of coal that can reasonably be contemplated now and in the next few years.

Mr. Woolliams: In the next 10 years.

Mr. Pickersgill: That is a subject of quite acute controversy, as hon. members know. I may say it is a subject that has given me a good deal of concern, because I think it is evident to everyone in the house that if the freight rate for the carriage of this coal, and if the loading charges are paid to Canadians, this will provide income, employment and taxes in Canada.

• (8:50 p.m.)

If they are paid to American citizens, they will provide income, employment and taxes in the United States. Other things being equal, any Canadian would want to keep that traffic entirely in Canada.

I do not think there would be any difference in any quarter of the house on that point. As the hon. member for Bow River has said, it is really a question of whether or not the coal can be mined and sold at a price which will make the whole transaction profitable, without any subvention from the government of Canada. A subvention has been paid on a quite substantial scale for several years for relatively small quantities, but still substantial quantities of coal, from the three mines which were mentioned by the hon. member, the one at Colemen in Alberta, the Crowsnest mines near Fernie, British Columbia and the Canmore mine on the main line of the C.P.R. The discussion that has been very active between these mines and the Canadian Pacific Railway for the last several months is whether or not, if the quantities that can be sold in Japan can be raised sufficiently, the C.P.R. and the terminal facilities in Vancouver can provide a combined freight and loading charge which it will be possible for the shippers to pay and still make a profit out of their transactions. Whatever one may say about the C.P.R., under our system of government, it is still a private company, and so are the coal mines. This is a matter of hard bargaining, and I think it would be quite wrong for the government to be partial in this matter and take either side. I think it is our duty to be impartial and, so far as possible, to allow them to make their own bargains.

Mr. Woolliams: May ask the minister a question? I agree with the minister that the government should be impartial, but does he not consider that when it comes to the question of the export of coal to the tune of many millions of dollars—the *Financial Post* mentioned a figure of $260 million—by one mining company in Alberta, it is not a question of partiality or impartiality but a question of sound business to sell the coal. The C.P.R. would not exist, were it not for the sales of coal or grain.

Mr. Pickersgill: Certainly, and without some railway to carry it to the seaboard, the coal could not be sold, and the railway work-

ers and the railway company are just as much entitled to earn a living as is the coal mine. Perhaps the hon. member will allow me to point out that he neglected to say in his speech that on May 24 an announcement had been made by the chairman of the coal board that a long term contract had been concluded by the Coleman collieries with the Japanese for the shipment of coal entirely through Canada, and that this transaction is now completed. It would not have been completed but for the action of the government in authorizing the coal board to provide subventions on a declining scale for an additional two years above the two years for which they have already been provided so that the Coleman colliery could gradually build up its production to a million tons. The C.P.R. said that when they had a million tons from that mine they would give it a combined rate of $4.60, subject to certain escalation to which the two parties agreed, and at that point there would be no further need for a subvention. On that basis a contract for $160 million worth of coal has been concluded. That coal will be shipped from the Coleman colliery in Alberta entirely through Canada, so that the employment generated, not just in the mining but also in the carriage until it is loaded on the ships, will be Canadian. I do not think we have any reason to be ashamed of making that possible through additional declining subventions through the coal board for two additional years.

It goes without saying, but perhaps it is important that I should say it, that the government is prepared, and has told the coal board it is prepared, to have a comparable arrangement made with Crows Nest Industries. If, during a transitional period, some additional subvention on a declining scale is needed so that they can build up their tonnage to the point where unit trains can be used and other economies can be effected, we are prepared to treat Crows Nest Industries in a way comparable to the way that Coleman mine has been treated, which has enabled them to make this contract.

That happens to be the position of the government in this matter. I have read many things in the press, as did the hon. gentleman, but I do not always accept everything I read in the press at its face value.

Mr. Woolliams: The figures quoted by the minister are the same as those quoted by the *Financial Post.*

Mr. Pickersgill: Allegations have been made that a railway could be built to connect with the Great Northern Railway, and that a combined rate for rail and loading of $4, presumably subject to some kind of escalation, would be possible. I do not know whether or not those are facts, but they are allegations and of course they represent an element in the situation. It was announced some time ago by the government of British Columbia, that they would permit this railway to be built in the Kootenays only if the coal was brought back into Canada for export from a port in Canada, that they would not allow it to be built if the coal was to be shipped from the United States. As I understand it, that was the condition. That is what I have read; I was not told about it directly. I understand that the British Columbia government is prepared to have a facility built at Roberts Bank, next to the Tsawwassen ferry, for the shipment of the coal. The premier of British Columbia was quoted in the Vancouver *Province* of May 16 as having said:

> On the proposed development of Roberts Bank, when a contract is completed for sale of B.C. coal to Japan as proposed by Crows Nest Industries Ltd., then the government will appoint members to the new B.C. harbour board and proceed with construction of a coal loading terminal.
>
> In the meantime, B.C. Hydro is seeking the land for the right-of-way to connect its Fraser valley rail system with the new port area. Bennett pointed out that any port authority bonds will not be provincial guarantees, but he assumed that the signed contract would be the basis for financing. "We want this to be self-liquidating."

It seems to me that if the government of British Columbia sees fit to invest provincial money in a facility for the shipment of this coal and if it is to be genuinely self-liquidating, by which I understand that all the charges would be met by the traffic as well as the interest and amortization of the cost of the project, so long as it was the kind of facility that would fit in with the long term development of the harbour, it would be very hard for anyone to take any exception to it. That is what I understand by a self-liquidating facility. But I think it would also be the general view that if these transactions are to be based upon the shipment of coal by another route than the route through Canada, there would be some problem about continuing the subventions over any transitional period.

• (9:00 p.m.)

However, I am very hopeful, from certain information that has come to me only today, that it will be possible, as it was possible in the case of the Coleman mine, for an arrangement to be made to ship through Canada. I

want to repeat that, so far as the government is concerned I am authorized to say—I am authorized to say it because my colleague the Minister of Energy, Mines and Resources who is responsible for the coal board is away in Washington today—that the government is quite prepared to provide comparable terms to Crows Nest Industries, for a transitional period to enable the build-up of production so that such a contract would be possible.

Mr. Diefenbaker: What does the minister mean by "comparable"?

Mr. Pickersgill: I mean comparable to the terms given to the Coleman mine, the transaction for which is already completed.

Mr. Woolliams: May I ask the minister one question?

Mr. Pickersgill: Certainly.

Mr. Woolliams: The minister has partly answered my argument. However, I should like to hear his answer to this question: Why is it that the Great Northern Railway maintains, and the coal operators maintain, that they can ship this coal cheaper than the Canadian Pacific? We all want a Canadian route. We are not asking for the United States to get into this scheme. I am asking the minister why he has not discussed that phase of the problem with the Canadian Pacific.

Mr. Pickersgill: I have of course discussed it with the Canadian Pacific. I am sure the hon. member, who was an assiduous member of the house during the passage of the national transportation bill, will recall that any freight rate on a shipment from a point in Canada through any other country and back to another point in Canada has to be posted with the Board of Transport Commissioners or the Canadian Transport Commission, and it has to be compensatory. The rate would be open to scrutiny by any interested party who felt it was not compensatory. We have no evidence, except the word of these promoters of the coal transaction, that such a combined rate would be possible.

It is based on three or four quite big ifs. The first one is, if they can build a railway to a certain point and make the connection with the United States railroad. They would have to have shipping facilities built that do not exist at the present time. If all these things are done, on a certain basis, then there will be a $4 rate. Perhaps there will be, but I do not feel the case is proven at all. I have never been one who has felt that loud assertions made things any truer than whispers. A thing is either intrinsically true or it is not, and in so far as this particular statement is concerned I have no way of knowing. I have no way of auditing the books of the Great Northern Railway. I am sure these people are saying what they are saying in good faith. I am not questioning that. However, I have seen quite a lot of projects in the last 30 years that turned out to cost an awful lot more than the estimates which were made before the projects were started.

In so far as the Canadian Pacific Railway is concerned, the railway is there, the shipping facilities are there and we know the coal can be shipped. It is merely a question of whether or not the two parties can get together as Coleman and the Canadian Pacific have already done. We hope the parties can get together and, with the help of the coal board and the help of the government, establish a rate the operators can afford to pay, and still make the mine operate successfully so they can get a contract. I sincerely hope they can, because it would be a great thing for Canada.

Mr. Olson: May I ask the minister a question? He has mentioned that the agreed rate of $4.60 per ton was possible because there was an arrangement with the government on a declining subvention basis over the next two years. I wonder if the minister would be prepared now to tell us how much of that $4.60 per ton will be paid by way of subvention through the coal board?

Mr. Pickersgill: None; I am very grateful to the hon. gentleman for the question because it reveals a gap in my explanation. The subvention is to be paid in order to enable the Coleman mine to build up its production to a million tons. When they get to a production of a million tons, the Canadian Pacific has agreed to carry it for $4.60, subject to certain escalations which I am not going into now. It is a very complicated arrangement and deals with the escalation of labour costs which, of course, the Japanese must bear. If the Coleman mine can build up production to a million tons, that would make an economic operation. It is to meet that intervening period that the subventions are available.

Mr. Olson: Then, do I take it that of the $4.60 per ton there will be a certain amount paid until they reach the million ton mark? Would the minister care to divulge to the house how much that would be?

Mr. Pickersgill: I am afraid I have not got all the details. I have a copy of the press release issued by the coal board. Of course, the subvention at the present time is $2.73 per ton. Now, part of that goes for the freight rate and part of it goes to the collieries. I am not quite sure what the split is. My recollection is that it is somewhere in the neighbourhood of $1.40 that goes to make up the present freight rate and handling charge. However, that freight rate and handling charge will drop to $4.60 when production reaches a million tons. Then there will be no more subvention paid at all to pay any part of the freight rate. There may be a little subvention needed by the colliery, because it is putting in new machinery and establishing modern methods in order to step up production. The subvention would be $2.73 altogether for the first year and I think for the second year, then somewhat smaller for the third year and still smaller for the fourth year.

Mr. McIntosh: Before the minister resumes his seat—

Mr. Pickersgill: I am not resuming my seat, I am going right on to talk about other things.

Mr. McIntosh: While I am on my feet, I just want to apologize to the minister. Evidently he answered certain questions that were raised this afternoon concerning air services. I was in the lobby and was just called in. However, I was told that he said the hon. member for Edmonton-Strathcona and I did not understand the situation.

Mr. Pickersgill: No, I think what I said was that the hon. member for Edmonton-Strathcona spoke as though he had never seen the statement I made on March 27, which permitted the capacity of Canadian Pacific Airlines to be doubled as soon as they can make application and carry out all the formalities. Stops are provided for at both Calgary and Edmonton. Unless I missed something he said, the hon. member for Edmonton-Strathcona talked as though the situation that had existed before March 27 still existed. I thought the hon. member for Swift Current-Maple Creek was echoing that statement. I was not being critical.

I was just saying that it is true the government provided, in 1967, for a doubling of the seat miles available on transcontinental service to Canadian Pacific Airlines, which seemed to be along the lines of the request the hon. gentleman was making. I did go on to say, and perhaps it is worth repeating, that it does not really make any difference to existing shortages. We are trying to do everything we can to make air services available through whoever can provide them. The real problem today is that none of the air lines can get enough aircraft to carry the traffic that is being offered in any country where the traffic is expanding. This is not because of any unwillingness on the part of the government or on the part of the air lines; a lot of the aircraft go to Viet Nam instead of going to meet civilian demand. I know of no way of changing this, except to end the war in Viet Nam, which we all pray will happen very soon.

• (9:10 p.m.)

Mr. McIntosh: Will the minister allow other carriers to come into these areas served by Air Canada where there is a bottleneck, such as Ottawa? The other air carriers served Ottawa when Air Canada personnel went on strike and they did a pretty fair job. If other air carriers such as C.P.A., have aircraft and can take passengers from Ottawa or other areas of bottleneck, would the minister allow them to do so?

Mr. Pickersgill: Ottawa is included in the list of cities that Canadian Pacific Airlines will now be permitted to serve. However, I would be extremely surprised if they would attempt to serve Ottawa very quickly, and for this reason. Edmonton to Montreal or Edmonton to Toronto is a long haul. Ottawa to Montreal or Ottawa to Toronto is a fairly short haul. The amount of traffic that would be picked up from Ottawa by other carriers, which are short of aircraft, I think would not be very large.

I am not running an air line, Mr. Chairman, but my guess is that an air line would be more interested in stopping at Edmonton or Calgary if they wanted to get the traffic. After all, they are in the business of carrying as many passengers as possible, and within the limits of their licence will obviously stop at those places where traffic is the heaviest. I do not think there is anything much to be done except to pray that the air lines will try to work out better schedules. But there is an over-all shortage of seats or space. If we try to make more seats available in one place we will have to take them away from another place. That is really all that I was saying.

Mr. McIntosh: I am sure the minister realizes that if another carrier comes to Ottawa they will pick up passengers at other places as well, not only from Ottawa to Toronto or Ottawa to Montreal. There are other places in

Canada people wish to visit besides those two cities; I refer particularly to the west and the Atlantic provinces. I understood the minister to say that he would allow other carriers to come into these areas.

Mr. Pickersgill: Mr. Chairman, I think I have been very patient all day and I did get up to make a speech, not to be constantly interrupted by the hon. gentleman.

The Acting Chairman (Mr. Richard): Order. The time allocated to the minister has expired.

Some hon. Members: Continue.

The Acting Chairman (Mr. Richard): Has the minister unanimous consent to proceed?

Some hon. Members: Agreed.

Mr. Pickersgill: Mr. Chairman, I think I should now try to deal in a more or less systematic way with the various points which have been raised since the debate began.

The hon. member for Saint John-Albert, who was the first speaker, made a number of points, but I think the most important matter to which he referred, the one in which there is greatest general interest, is about the report of the consultants who were engaged by the Department of Transport and who have been supervised by the Department of Transport and the Atlantic Development Board. I refer to the report dealing with transportation problems in the Atlantic region.

The main study is now completed, though there are some supplementary studies still in progress. It consists of about 12 volumes and is a very lengthy report. I have had some summaries of it prepared which will be available for distribution, and I will try to arrange to have them distributed in English, in French or both languages. I think I will have enough copies by morning so they can be distributed generally to all hon. members. Before I conclude my observations I should like to make a very brief statement about this study, but I think I will leave that for the last and watch the clock, because I should like to deal with as many of the other points that were raised as possible.

The hon. member for Saint John-Albert also talked about the importance of satellite communications. I could not agree with him more about how very important this whole subject is—not merely satellite communications but the whole question of the use of satellites, the ownership of satellites and the organization to control and operate them.

I think a lot of us are inclined to think of the most spectacular use which has been made of satellites, which is to send television pictures from one quarter of the globe to another. I would very much question whether television is the most important use. It is one of the most important, but there are many other uses. Satellites can provide telephonic and telegraphic communications as well as other communications that I do not understand very well, and provide them on a scale way beyond anything we have ever dreamed of with the use of land lines, microwave transmissions or other methods.

In addition to the use of satellites in the field of communications there appear to be many other uses, such as for exploratory work and for photographing the earth. I think it is very important that as quickly as we can and with the knowledge that is becoming available to us, we work out the best policies for the most effective use of this tremendous new medium both for the communication of knowledge and, indeed, for adding to our knowledge. The government is giving, in a number of ways, the most urgent consideration to this matter.

The hon. member for Saint John-Albert made a pretty comprehensive speech so I am being rather selective, but he also inquired about the probable date of the establishment of the Canadian Transport Commission. I wish I could give a firm date, but I do not think it is yet possible to do so. The last word I had was that the drafting of the rules which will have to be followed by the commission when it is set up is almost completed. It will also be necessary to select certain personnel, and attention is being given to that matter.

The one thing we must understand, of course, is that this commission has to be able to operate from the date it is appointed. Since the work it is going to do is in many respects being done at the present time by the Board of Transport Commissioners, the Maritime Commission or the Air Transport Board, perhaps the public interest would suffer less if we took a little longer and made sure things were done properly; because no really urgent current business is going to be delayed by the failure to set up the commission.

I did deal with the main point that was raised by the hon. member for Vancouver East, who asked about the future of the seaport of Vancouver.

• (9:20 p.m.)

With respect to the international airport at Vancouver which was referred to by several hon. members, the most recent of whom was the hon. member for Burnaby-Richmond, I remind those hon. members, when they say that, had the airports at Montreal and Toronto been on islands, something would have been done long ago about providing access, that the airfield at Dorval is on an island and that the island airport at Toronto is on an island. Nothing but a rather poor old ferry connects Toronto island with the mainland. I just say this in what might be described as a lighter vein—one of those heavy jokes that politicians usually regret making. The view has always been taken by all governments up to now that once the passengers are at the airport it is the business of the local authority to provide the access to that airport.

Mr. Cowan: Let them do it, then.

Mr. Pickersgill: I will not be diverted by the hon. member for York-Humber, no matter how interesting the diversion might be. Vancouver airport being on an island is a special instance and, going as far as any minister can go in giving his personal opinion, the sooner arrangements can reasonably be made for us to acquire the whole of Sea island for the Department of Transport, the better. I am sure that eventually it will be needed. I appreciate the problem that the hon. member for Burnaby-Richmond talked about; and anything I can do to speed up the process reasonably, without being unfair to anybody who is living in good faith in his own house, I am anxious to do.

We also recognize, because of the peculiar geographical problem, and because the airfield is on an island, that the federal government will have to take some share in meeting the problem of access. At this very moment we are engaged in active discussions with the government of British Columbia to try to work out some arrangement by which we can get on with providing access to Vancouver airport without having to go first to Lulu island.

A number of hon. members, beginning with the hon. member for Portneuf and others representing northern Ontario and northern Quebec, spoke about trains. The hon. member for Roberval made a particularly eloquent speech this afternoon. I might say I thought he was describing a journey in Siberia, not in Canada. The hon. members who spoke felt there ought to be marked improvements in train services in northern Ontario and parts of northern Quebec. I shall be happy to bring all the points which have been raised to the attention of the Canadian National Railways.

The hon. member for Moose Mountain had some constructive comments about the Canadian Transport Commission. I have already dealt with the points he raised. About jet service between Regina and Saskatoon, perhaps I failed to let him know but I did let the hon. member for Regina know what the contemplated dates for its beginning were. They are some time in August—I have the details among my papers. I hope that those dates will be met.

The hon. member for Trois-Rivières asked me to make another appeal to the Canadian Pacific about the night train from Montreal to Quebec. Of course I shall be happy to do that. He also raised other points which I intend to pursue.

I think that I had replied to the main speech of the junior member for Queens. It seemed opportune to do so when the estimates were up on Friday. I have conveyed his congratulations to the staff of the Atlantic Development Board.

The hon. member for Restigouche-Madawaska discussed the need for air service in northern New Brunswick; that need will be subject of hearings to be held soon before the Air Transport Board.

The hon. member for Shelburne-Yarmouth-Clare discussed the Yarmouth airport and the ferry service to New England. I made a general note of what he said about the airport. As far as the ferry service is concerned I have said more than once that if we can find a vessel to supplement the existing service we shall be glad to get it. Such vessels are not that easy to find.

With respect to the representations of the hon. member for Timmins, the hon. member for Timiskaming, one or two other hon. members, including the hon. member for Chapleau, about air services in northern Ontario and northern Quebec, again I intend to bring these matters to the attention of Air Canada.

I wish to say a word now about something brought up by the hon. member for Swift Current-Maple Creek and by many other hon. members—the subject of small airstrips. When the policy of providing assistance for small airports where there is no scheduled service was adopted by the government a couple of years ago, largely at my urging, I was given a ceiling of $1 million a year. That

is why I can tell the hon. member for Kenora-Rainy River that, with the $1,300,000 that is in the estimates for this year, the $300,000 is a little buckshee that I managed to get. A sincere and conscious effort is being made, within the limits of what the Minister of Finance feels he can get out of the taxpayers for this purpose, to meet the most urgent problems first. I think the hon. member will admit that my explanation is better than the one he quoted this afternoon. It seems to me that a facility which is not useable cannot be used—and I thought he made an unanswerable point there.

Mr. McIntosh: Will the minister reconsider the applications?

Mr. Pickersgill: We shuffle the cards about once a month and look them over again. The hon. member's card is one that will be looked at, of course.

Notwithstanding the complimentary things said about me by the hon. member for Royal, for which I am sincerely grateful, I still do not think that I can promise him that we shall do anything about the offloading of feed grains in Saint John harbour. I am told that with the new agreed charges, most feed grains are now moving into New Brunswick by rail, the water traffic and traffic prospects at the present time will not warrant the expenditure that would be necessary for a leg.

• (9:30 p.m.)

With respect to what he said about aids to navigation and other facilities on our inland waterways, I thoroughly agree with him. We are trying within the limits of our financial resources to do as much as we can in this field. I will of course bring the representations made by the hon. member for Wellington-Huron and others about the abandonment of stations to the attention of the appropriate railway companies.

With respect to the Boundary Bay airport, which my fellow alumnus from Manitoba, now temporarily resident in Vancouver, brought up this afternoon, I may say it is only about two days since I had the latest report on this airport. The Department of Transport is very much interested in it. I think I ought to come clean about this and say there is only one problem which may inhibit the use of it, and that is its proximity to the Vancouver airport. If we can be quite satisfied that it would not be a hazard to aviation I do not think there is any doubt we would be exceedingly interested in using it.

Mrs. MacInnis (Vancouver-Kingsway): Is the hon. gentleman taking steps to find out whether it would be hazardous?

Mr. Pickersgill: Oh, yes, everything possible is being done to determine whether these hazards would exist.

I will tell the St. Lawrence seaway authority, if their officers have not already listened to what was said, about the south shore of the St. Lawrence in the area of Montreal mentioned by the hon. member for Châteauguay-Huntingdon-Laprairie. As to the point raised by the hon. member for Parkdale about air pollution in Toronto, the activities of the Department of Transport in this field have so far been confined almost exclusively to certain aspects of research, and this will be continued. Where the real jurisdiction lies in this matter is uncertain. We know that if ships pollute water we have jurisdiction, but we are not so sure where the jurisdiction lies in other fields. I could not agree with him more about the importance of this question.

The hon. member for Timiskaming mentioned the *Florida*. There is a legal problem involved in connection with this so-called ship. I really feel somewhat inhibited from saying anything about the matter at this moment, but I can assure the hon. member that it is not being neglected. I really would not be truthful if I said I was sorry he had brought the matter up.

Now I would like to say something a little more extensive about the Atlantic transportation studies. As all hon. members know, these grew directly out of the report of the Royal Commission on Transportation. The MacPherson commission decided they could not take the time necessary to deal with particular problems in the Atlantic region and suggested that further investigation was required. That was the purpose of these studies.

The government, in preparing the national transportation bill, recognized that the Atlantic region presented particular problems which could not be dealt with without separate and detailed study of many aspects of transportation in the region, and the impact of transportation on the regional economy.

Discussions were held with the premiers of all four Atlantic provinces during 1965 to outline the purpose and scope of the study. A decision was made in the autumn of 1965 to commission consultants to carry out the required studies. The Department of Transport provided the funds and the study itself has been supervised jointly by officials of the

Atlantic Development Board and the Department of Transport.

The consultants were directed to assess the effectiveness of the existing transportation facilities and to determine the best means of developing these or alternative facilities to meet present needs and to foster the economic growth of the Atlantic provinces. The consultants were afforded complete freedom to carry out their investigations without official intervention of any kind. Their findings and conclusions were arrived at with a degree of independence as complete as that given to a royal commission.

The main study has been completed within the period of 18 months it was estimated would be required—I think they should be given full marks for that—thanks to the cooperation afforded by provincial governments and the various community, business and transportation interests concerned.

The study is comprehensive and detailed and covers not only transportation in each individual province but also special research on various transportation services, such as the Newfoundland coastal services. Special studies were made of the possible effect on the Atlantic area of constructing a corridor road across the state of Maine between Quebec and New Brunswick, and of the problem of the seasonal fluctuation of the volume of traffic through the ports of Halifax and Saint John.

A particularly intensive study was made of the influence on the economies of the Atlantic provinces of the Maritime Freight Rates Act, the Freight Rates Reduction Act and the National Transportation Act.

While the conclusions of the consultants cover many aspects of transportation, they give particular emphasis to the need for further improvement and development of highways in the region and confirm the soundness of the federal support which has been given to the development of trunk roads in the Atlantic provinces since 1963. It will be recalled that the government made a decision in 1964 to give financial support to highway development in the north Gaspé area of the province of Quebec, rather than to extending the railway in that area.

When the main study was undertaken, it was recognized that if the study was to be completed within a reasonable period of time, certain additional studies might have to be carried out on a supplementary basis. As a result of the emphasis in the main study on the need to develop roads in the Atlantic provinces, supplementary studies connected with trunk roads are now under way.

[Mr. Pickersgill.]

These studies are concerned with certain trunk roads in the province of Newfoundland, particularly in the Burin peninsula and on the northwest coast, and of the project for a highway across Labrador; with the development of the highway in New Brunswick from Moncton to the Quebec border via Bathurst and Campbellton; and with the development of the supplementary data relating to the roads in the Gaspé region, which is included in the area covered by the Maritime Freight Rates Act.

I mention these particular studies because there are a number of other roads which are dealt with in the main study, roads on Prince Edward Island, the road across the southern part of New Brunswick and a number of key trunk roads in Nova Scotia.

At its most recent meeting held in New Glasgow, Nova Scotia, the Atlantic Development Board adopted a formal resolution recommending continued federal support for trunk roads in the Atlantic region to promote economic development.

I want to emphasize the next two paragraphs of this more or less written statement I am making now.

Conclusions reached by the consultants involve new approaches to transportation between the mainland and Newfoundland, particularly for services other than the present rail-ferry services. While these new conclusions will require careful examination, there is every intention on the part of the government to complete the work under way at the present and to improve railway terminal facilities at North Sydney and Port aux Basques.

In releasing these studies, it is the government's intention to provide all interested parties, whether public or private, with an opportunity to study and comment on their contents, and it is also the intention of the government to proceed expeditiously to examine the findings and conclusions with a view to formulating future policies.

• (9:40 p.m.)

Now, I might say that these problems are by no means the only urgent transportation problems we face in this country. The other day I collected, at random more or less, a list not only of the things which the government already had undertaken to do but also of the big transportation problems I could see ahead. It is really almost frightening when one realizes the amount that needs to be done

in this country if we are to have the kind of growth and development we want. In addition to the problems of the Atlantic region, there are a number of other major transportation problems which, because of their size and scope, fall outside the normal limits of present policy and require special attention. These include, for example, such items as the problem of an additional crossing of Vancouver harbour and the wider problem of the expansion of harbour developments at Vancouver; the question of an additional approach to Vancouver international airport on Sea island; road construction which may be required, in some cases, to offset railway branch line abandonments in the prairie provinces or elsewhere, and substantial additional expenditures and development which will be required if the Welland canal and the St. Lawrence seaway are to be expanded to meet the requirements of the future.

In addition there is the matter of improvement and possible deepening of the St. Lawrence ship channel below Montreal; major airport and air terminal expansion at Toronto and Montreal that will be necessary to take care of traffic requirements in the era of the jumbo jet and supersonic aircraft, as well as the question of better ground transportation arrangements to and from major metropolitan airports, and the possible need for harbour and railway expansion in the northern and northwestern areas of Canada to provide for economic exploitation of natural resources in those areas. Within the context of consideration of other urgent transport needs, the development of policy in all these fields becomes a matter of the greatest importance of the future of our country. I think perhaps at that point I might take my seat.

Mr. Schreyer: Mr. Chairman, I wonder whether the minister would permit a question. He made passing reference to the jumbo jets and supersonic transport type of craft. Since the minister has made passing reference to them I should like to ask him whether the government has any attitude or policy with regard to the acquisition of these craft, or is the attitude or policy of the government simply that of Air Canada?

Mr. Pickersgill: So far as the jumbo jets are concerned, in considering the budget of Air Canada and the projections of the budget it appeared unlikely that all the funds which would be required could be generated by Air Canada, and therefore the government had to make a decision whether these aircraft should be ordered. We came to the conclusion that the economies of the operation of these huge aircraft were likely to be such that the effect on the air line would be crippling if it were not permitted to order them in the quantities which the traffic seemed to warrant.

With respect to the Concorde, which is being built by the British and French, we gave firm approval to the recommendation of Air Canada that they be permitted to order some of these aircraft. With regard to the proposed supersonic aircraft which are to be built by Boeing, the government approved of Air Canada taking its place in the queue. At that time there was a good deal of uncertainty about the whole program. There may still be a good deal of uncertainty about it. At any rate I think it will be necessary, at a fairly early date, to have a further review of this matter as the circumstances develop. We did feel, however, that it would be wrong, having regard to the best possible advice we had and having regard for the fact that all major air lines were also taking a place in the queue, if we should inhibit Air Canada, although if we decide not to go ahead it may cost something.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I have some brief questions for the minister which I hope he will not mind my asking, even if he should be unable to answer them. He has had that difficulty in respect of my questions in the past. I do not know whether the fault is with the questions or the minister. However, one of the matters with which I will deal has to do with my constituency, and then there is a rather more important matter.

I have received complaints concerning the lighting in Nanaimo harbour at the small boat basin. There are complaints to the effect that people have come in at night when there were no lights on. The inquiries I have made indicate there is some dispute between the Nanaimo Harbour Board and the B.C. Hydro Authority. Perhaps the minister will look into the matter to see whether Mr. Bennett's government is being unreasonable or whether the Nanaimo Harbour Board or the Department of Transport is being unreasonable.

The other matter is one which I have already taken up with the Department of Transport but in respect of which I have not yet had any satisfactory answer; that is, the sudden increase in rentals for water lots in the Nanaimo harbour area. These rentals were raised two and three times over the

rentals of last year. I understand that this was done on the basis of the high rental that was charged for a concern that is in that area, but which is an extremely wealthy and profitable enterprise. They applied the same yardstick to the other water lots. This has created a very serious problem for the smaller enterprises in that area. On inquiry I found that increases in rental by the Nanaimo Harbour Commission were required to be O.K.'d by the Department of Transport. I wonder whether the minister would look into this matter to see under what circumstances the department O.K.'d these extremely rapid increases of two or three times over what they had been paying, in some cases.

The other matter affects much more than my constituency. It is an important question and arises from some information I obtained last week in Nova Scotia. I discovered, greatly to my satisfaction I may say, that in Dartmouth there is a firm which is producing the most sophisticated and modern automatic directional finders for aircraft. They are equipping all United States military aircraft with them. This perhaps is a matter which is not of great satisfaction because I learned from the officials of the company that all the helicopters operating in Viet Nam are now equipped with them. Men who are on patrol in the jungle have a small transmitter which enables the helicopter to zero in on them in all weather conditions, in darkness and daylight, and so on.

• (9:50 p.m.)

The point I want to draw to the minister's attention is this. I am informed that they have not been able to interest the Department of Transport in this very sophisticated and modern automatic directional finder. As a consequence we still have the spectacle of air transport in Canada being disrupted because of fog conditions in Vancouver, Toronto and other places in the country. I gather this is the same sort of equipment which B.O.A.C. has recently been trying out at Heath Row airport, where with this aid they have been able to land in thick fog. I should like the minister to make an examination to find out whether he has ever heard about this, or if it have been brought to the attention of his departmental officials, and if not, why not. It does seem to me a tragic thing that we have here a prime example of the sort of industry we should be developing in Canada, producing specialized equipment that will enable us to compete throughout the world. Surely the Canadian government should be the very first to encourage this in the operation of our own aircraft within Canada. I hope he will be able to do something in this regard, and if he has not heard about this that he will make inquiries.

If my information is correct, and having received it from one of the engineers of this firm, I assume it is, I hope the minister will take speedy steps to see that the problem of landing and take-off in heavy fog conditions is solved in Canada once and for all.

Mr. Pickersgill: Mr. Chairman, I do not think there is anyone in the house more anxious to solve the problem of landing and take-off in heavy fog than the member for Bonavista-Twillingate. I shall be very glad to look into all three points raised by the hon member.

Mr. Howard: Mr. Chairman, the latter remarks of the minister were intriguing to me because he mentioned railway development northward. As he knows, we have had some interest in this matter recently. As a matter of fact it was on this subject that the minister spoke the voluminous words in Kitimat to which I referred earlier. Perhaps it is fortunate that *Hansard* now has those documents and I cannot repeat them to the minister, to refresh his memory.

I do, however, have some correspondence relating to the proposed extension of the Canadian National Railways north from its most northern point in British Columbia; that is, north from Hazelton presumably and, hopefully, into the Yukon. I would very much like to have the minister interpret this correspondence for me, so I can understand just what it means. As a result of correspondence I had with the president of the railway and the inference contained in his letter I wrote to the minister and his colleague the Minister of Indian Affairs and Northern Development. I know of his interest in this matter.

The Minister of Transport wrote me a very interesting letter dated May 13. I will not bother to make specific reference to the letter I wrote, but the letter I received contained three paragraphs, the first of which acknowledges my letter and my proposition. The second paragraph was a recitation again of the minister's impression from what he saw when he was in Prince Rupert and Kitimat. I should like to quote this paragraph because it

is germane to the whole matter I want interpreted. The minister stated:

> When I was in Prince Rupert and Kitimat I was greatly impressed by what I saw and heard about potential developments and on the 3rd of May—

That is an important date to remember. The letter continues:

> —when I was in Montreal, I spent some time with the president of the Canadian National discussing a great variety of railway matters of which this was one.
>
> I am happy to be able to assure you that the Canadian National are very much impressed by the prospects and are giving them the closest examination.

At first blush this letter would seem to indicate that there was favourable disposition to the extension of the rail line northward from Hazelton. I read the letter in that way and thought the minister was stating that the Canadian National was very much impressed also, and was likely to go ahead with this rail line development.

I had received a letter from the president of the Canadian National which prompted me to write to the minister in the first place, as a result of which I received the letter dated May 13. Again I will not go into great detail but I should like to read the last paragraph in which the following is stated:

> The situation has not changed since the last time it was looked at but, as you would be aware, the Department of Northern Development and the Department of Transport, in the ordinary course of events, keep in close touch with any such potential developments.

That was what prompted me to write to the minister to ask him what he knew about this situation. The revealing thing is that the president of the Canadian National Railways wrote me that letter the day after the minister was talking with him in Montreal, as a result of which the minister said he was told they were very much impressed and making a close examination of the situation.

It is surprising to me, Mr. Chairman, that the day after that conversation the president should write me and state that things had not changed since the last time the situation was looked at, and suggest that I write to the Minister of Transport, because he knows more about these things. I also wrote to the Minister of Indian Affairs and Northern Development and his reply was typical of the feelings of a government that believes in being on a merry-go-round all the time. He said he did not know anything about the situation but that he would send my letter to the Minister of Transport.

I should like the minister to interpret what he meant in his letter of May 13, and I should like him to indicate whether there is any prospect at all of the rail line moving northward from Hazelton.

Mr. Pickersgill: Of course there is a prospect of it, but there is no certainty. That is exactly what the letter meant and what it was intended to mean. That is exactly what I think anyone would normally interpret it to mean.

Mr. Howard: I should like to ask another question, and I hope the minister will give me time to get ready for the answer. Perhaps the minister would give his reply in French so I can get a reasonably decent interpretation in English over the translation system. The answer he has given me is just another example of gobbledygook on the part of this government. As the hon. member for Timiskaming asked very succinctly yesterday in respect of railways, how is it possible to go in two directions at once. The hon. member was kind enough not to put on record the answer he received. The answer simply was that it is possible, if you are a Liberal, and the minister has just substantiated that fact.

Mr. Sherman: Mr. Chairman, I should like to ask a question arising from a situation which I feel is one of international discrimination. That may not be the case, but I should like some enlightenment. However, I notice it is ten o'clock and if the Chair and the committee are agreeable I shall call it ten o'clock.

Mr. Pickersgill: Mr. Chairman, if there are no other members except the hon. member for Winnipeg South, as I understood the case to be, who wish to speak on this item, I wonder whether he could make his point briefly and let me reply. With that indulgence perhaps we could carry the first item.

Mr. Cowan: Mr. Chairman, I indicated on Friday afternoon that I intended to speak about fill in lake Ontario on item number one.

Mr. Knowles: Call it ten o'clock.

• (10:00 p.m.)

Progress reported.

BUSINESS OF THE HOUSE

Mr. Monteith: Could the house leader give us the business for tomorrow, Mr. Speaker?

Mr. MacEachen: Tomorrow we intend to call the estimates of the department of the Secretary of State.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*Translation*]

BROADCASTING—POSSIBLE CONSTRUCTION OF REPEATER STATIONS

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, last week I put a question to the Secretary of State (Miss LaMarsh) to determine to what extent the C.B.C. was disposed to make the necessary arrangements to promote French culture across the country, in short, to encourage the extension of the French fact from one ocean to the other.

According to statistics open to anyone, Canada has a population of 20 million people, 94 per cent of whom are reached by television.

After a thorough inquiry on broadcasting in Canada, the Fowler Commission said this:

—the C.B.C. is a vital factor of the Canadian radio-television system and the most important definite tool available for the development and maintenance of unity in Canada.

On page 37 of the same report, the following is stated:

[*English*]

We believe the C.B.C. has failed, and is failing today, to discharge adequately its duties to foster understanding between the two main cultural groups in this country. With rare exceptions, it does not produce programs that would assist English speaking Canadians to understand the attitudes and aspirations of French Canada. Equally the C.B.C. has failed to convey to French Canadians the doubts, uncertainties, ignorance, and good will of English Canadians concerning the "French Fact". The C.B.C. has itself made the following statement about its programming performance:

"The present schedules do not permit an adequate amount of intercommunication between French and English speaking Canadians; an adequate reflection of the diversified pattern of life, ideas and opinions from the various regions of Canada; an adequate development and utilization of Canadian writing and performing talents; or a proper diversification of foreign television entertainment."

[*Translation*]

Those are the words of the Fowler Commission which clearly show that the C.B.C. has not yet attempted to bring closer together the two main ethnic groups which make up Canada.

And to that end, I suggested to the Secretary of State (Miss LaMarsh) that the C.B.C. could build—it would be a fine centennial project throughout the country relay stations which could retransmit French programs produced by the French network of the C.B.C. and enable several elements of our country to become acquainted with a culture that seems strange to them in some respects.

Canada has a population of 20 million people, 50 per cent of which is less than 26 years old. And because of a surprising broadmindedness shown by the younger generation its interest in strengthening Canadian unity, since the old fanaticisms are due to disappear, I think that it would be important for the French culture to span Canada from one ocean to the other at a cost that would probably be less to the government than that of the Laurendeau-Dunton commission, also responsible for promoting the French fact.

A repeater, as it is called, costs around $50,000. The operating cost is nominal. It would only be necessary to install repeaters in all the English-speaking capitals of the country, as well as in the main English-speaking centers which could precisely rebroadcast the French program of C.B.C. This would permit the young people who learn French in school—somewhat as we have learned Latin when, after years of studies we are not even able to order a meal in Latin, just like in English schools where French is taught, when the time comes to turn to practice, to converse, practically nothing is remembered—to broaden their knowledge.

Therefore I make this suggestion to the Secretary of State to see what she thinks of it.

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, I understand full well the feelings of the hon. member for Lotbinière (Mr. Choquette). I am sure he will admit, as he probably does, that the government and the C.B.C. are fully aware of the situation he dwelt on.

He himself has quoted excerpts from the Fowler commission report which was specially appointed to look into the field of broadcasting and television in Canada. Now, all the members of the house, and especially the hon. member for Lotbinière, surely know that the government has published and tabled in this house in 1966 a report, a white paper on radio broadcasting.

That report was reviewed in detail by a committee of the house, which, in turn, reported to the house. The centennial project of

the Canadian Broadcasting Corporation and of the government, especially in this regard, is to introduce a bill on broadcasting, and, as soon as the business of the house allows, the measure will be brought forward.

Mr. Speaker, I ask the hon. member for Lotbinière and my colleagues to refer to paragraph 13 of the white paper dealing with the mandate of the C.B.C and I quote:

> Under the present Broadcasting Act, responsibility is assigned to the Canadian Broadcasting Corporation for the operation of a national broadcasting service.

And further, at the bottom of page 15, one reads:

> It should serve the two official-language groups and the special needs of geographical regions, and it should actively contribute to the flow and exchange of information, entertainment and understanding between cultures and between regions.

That is drawn from the present government policy on this matter. As for the Canadian Broadcasting Corporation, you know, Mr. Speaker, that it operates with the funds made available to it by parliament, after planning well in advance the work it must undertake or it considers undertaking. Those re-transmitting satellite stations will be—

Mr. Speaker: Order. The hon. member's time has expired.

• (10:10 p.m.)

[*English*]

PUBLIC WORKS—HAZELTON, B.C.—REQUEST FOR FEDERAL ACTION

Mr. Frank Howard (Skeena): Mr. Speaker, the community of Hazelton in British Columbia is the centre, perhaps by definition, of a rather goodly number of communities surrounding it. I am referring therefore to more than just the community of Hazelton itself. This area is in a very bad way economically. The base of the economy has been the logging and sawmill business. In recent times the bulk of the payroll in the area emanated from a fairly large sawmill. This sawmill has ceased operation, and in fact about the middle of the month, the 17th or 18th, and perhaps on both of these days, the capital assets of the company that were moveable were sold at auction. Those parts of the sawmill which were integral to its operation were moved out of the area. As a consequence, the one prospect that existed for the stability of the economy has now disappeared.

Many people, in anticipation of expanding activity, moved homes and families there. They are now faced with the prospect of moving out again at the end of the school term. Those who are more tenacious are desirous of staying, in the hope that something additional will develop. The drain on social welfare payments will be increasing if a large number of people stay and if economic prospects do not improve.

As I understand the philosophy of the government, and I am not now desiring to argue about it, it is that of pump priming; that is, if public works can be used at a time of economic collapse or decline to stimulate the economy, even though it may only be for an interim period, then that is the sort of situation that should prevail. The minister's government has enunciated this thought on a number of occasions in the past.

Last year the estimates contained an amount of money for the construction of a federal building in the area. This project was cancelled because the Minister of Finance (Mr. Sharp) made a spurious bogey out of inflation. This proposed federal building disappeared from the estimates. As the matter stands now the building is scheduled, according to the latest information I have been able to obtain, not for this year's activity when it could be most helpful, but for the next fiscal year.

When we were dealing with the estimates of the Department of Transport, I raised the possibility of extending the Canadian National Railway from this point northward because that would be another stimulus to the economy of the area. I have been in communication with the Department of Industry and asked it to look at the situation to ascertain what could be done to promote industry to locate in the area. As we all know, this is a time consuming process and it may be many months before the Department of Industry accomplishes anything worth while, if in fact it is able to accomplish anything at all. There are local groups which have been in touch with industrial concerns in other parts of the nation, and indeed in the United States too. There are one or two prospects of economic activity there, but this is some time in the future.

I think that this is the ideal moment for the minister to put into effect his pump priming philosophy, as I have heard it called, in the Hazelton area, and make a start right away on this federal building. Even though the amount of money involved may be relatively small compared with other projects, nonetheless it will be helpful in an area which at the moment is in the doldrums economically

and when the prospects in front of the poeple there are very bleak.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I have listened with considerable attention to what the hon. member has had to say. As I understand his argument, it is not that there is anything wrong with the plans of the department as such to proceed in the normal way, but rather that because of the special circumstances which have now arisen in this community owing to the shut down of the sawmill there the hon. member would wish the department to accelerate its planned program to put up this post office building. The hon. member would like the work commenced now because of the employment that it would provide. That seems to be the whole point of his argument.

If I have correctly summarized his point, may I say I will be very glad to look at this matter. As he has indicated, no provision is made for this project in the estimates this year. There is of course the ever-pressing problem that seems to be constantly with us, that of finding the money to pay for these things. The taxpayers have to provide the money, and in the normal course this money would not be forthcoming for another year.

However, Mr. Speaker, in view of what the hon. member has said tonight I will re-examine the situation to see whether there is any reasonable prospect of expediting the matter and starting work right away, provided there are no other counterbalancing considerations which would take precedence. In any event, I will undertake to make a thorough examination of the matter in the light of what he has said tonight, and that I will make an announcement in due course.

Motion agreed to and the house adjourned at 10.20 p. m.

APPENDIX

SUMMARY OF AGREEMENT BETWEEN THE CANADIAN BROADCASTING CORPORATION AND THE U.S.S.R. COUNCIL OF MINISTERS COMMITTEE FOR RADIO AND TV BROADCASTING

The C.B.C. has entered into agreement with the broadcasting organization in the U.S.S.R. —the U.S.S.R. council of ministers committee for radio and T.V. broadcasting—under terms which can be summarized as follows.

GENERAL EXCHANGE AGREEMENT

Under terms of the agreement, concluded on April 26, 1967, both parties will exchange radio and television programs of interest to Canadian and Soviet listeners. The radio program exchange will include selected literary, scientific-educational items, sport and children's programs, as well as taped recordings of classical, folk and modern music, operas and concerts. The television exchange will include short film features depicting happenings in both countries, as well as musical, sport, documentary and children's items.

Under the agreement, both parties will attempt to establish an exchange of staff with the sender meeting travelling expenses and the recipient covering living expenses within the country. The exchange of radio and T.V. programs will be conducted on a no-charge as well as on a commercial basis. Purchase and sale of T.V. material and films, as well as of musical recordings and other radio and T.V. programs, will be conducted by both parties on the basis of further agreements. Those exchanged on a no-charge basis will be used by each party at its own discretion. However, these programs will not be made available to a third party and will not be used for commercial purposes. Changes and/or cuts in programs are not to distort their content.

DOCUMENTARY PRODUCTION IN THE SOVIET UNION

(a) *General:*

A supplementary agreement to the above allows the C.B.C. to make television documentary films in the U.S.S.R. Both parties can take the initiative in proposing subjects for filming and the subject area and scenario plans of a film must be jointly agreed upon. Particular attention will be given to topics promoting Canadian-Soviet relations. The C.B.C. has agreed to give consideration to the recommendations, comment and proposals of representatives of the Soviet committee regarding content of these films in the interest of making accurate and objective films about the U.S.S.R. and its people.

(b) *Composition of Crews*:

The Soviet committee will facilitate the entry into the U.S.S.R. and the participation in the filming, of a complete C.B.C. camera crew, producer and reporter, except in cases where the C.B.C. chooses to provide less than a full crew. The duration of the filming will be agreed upon in advance and will be based on shot lists proposed by the C.B.C.

(c) *Processing:*

Soviet radio and T.V. guarantees the processing in the U.S.S.R. of exposed film. The C.B.C. reserves the right to negotiate on the processing in Canada of exposed film whenever technical reasons appear to make this desirable.

(d) *Broadcasting of Programs*:

(i) *In Canada*

When the work on the film in Canada has been completed, the C.B.C. will send the final version of the film to Moscow for viewing by authorized officials of the Soviet committee. The purpose of such viewing is to permit the committee to see the final version of the film produced by the C.B.C. and to comment upon it. Under the agreement, there is no power of veto. However, before broadcasting the final version, the C.B.C. has agreed to take into full consideration the Soviet comments.

(ii) *Abroad*

Approval of both parties is required for distribution outside Canada.

(e) *Financial Conditions*:

Financial conditions involved in filming and distribution are to be the subject of separate negotiation and agreement.

HOUSE OF COMMONS

Tuesday, May 30, 1967

The house met at 2.30 p.m.

CANADIAN CITIZENSHIP ACT

AMENDMENT REMOVING WAITING PERIOD FOR PAPERS FOR LANDED RESIDENTS

Mr. Steven Otto (York East) moved for leave to introduce Bill No. C-121, to amend the Canadian Citizenship Act.

Some hon. Members: Explain.

Mr. Otto: Mr. Speaker, this is a small amendment but I think a very meaningful one. The purpose of this bill is to convey to new Canadians and to landed immigrants in a meaningful way the commemoration of our centennial. Under this bill every legally landed resident of Canada will be entitled to receive citizenship papers on or after July 1, 1967, our national birthday, without waiting for the five year period or any other qualification save and except taking the oath of allegiance. It may surprise hon. members to know that there are over a quarter of a million residents of Canada who are entitled to take out citizenship papers but who for one reason or another have not done so. I believe that if this bill is passed, or the government sees fit to pass legislation to this effect, many future citizens of Canada will have cause to remember our national birthday as the day on which they became citizens of Canada.

Motion agreed to and bill read the first time.

CRIMINAL CODE

AMENDMENT TO LEGALIZE ABORTIONS UNDER CERTAIN CIRCUMSTANCES

Mrs. Grace MacInnis (Vancouver-Kingsway) moved for leave to introduce Bill No. C-122, to amend the Criminal Code (abortion).

Some hon. Members: Explain.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, the purpose of this bill is to legalize abortion, a practice that is very widespread in Canada and elsewhere. This bill seeks to end a situation where a law which cannot be enforced is brought into disrepute, and where illegal and bungling methods endanger the lives and health of growing numbers of women. It provides for the termination of a pregnancy, first, where the continuation of such pregnancy would involve serious risk to the life or grave injury to the physical or mental health of the pregnant woman; second, where there is substantial risk of a defective child being born; and third, where the pregnancy is the result of rape or incest. It provides that such pregnancy shall be terminated only on the advice of two registered medical practitioners.

Motion agreed to and bill read the first time.

AMENDMENTS RESPECTING BIRTH CONTROL AND THERAPEUTIC ABORTIONS

Mr. Ian Grant Wahn (St. Paul's) moved for leave to introduce Bill No. C-123, to amend the Criminal Code (birth control).

Some hon. Members: Explain.

Mr. Wahn: Mr. Speaker, the purpose of this bill is to make it entirely legal to distribute birth control information and devices; in addition, to make it entirely clear that therapeutic abortions are legal, and to prescribe safeguards for carrying out such abortions.

Motion agreed to and bill read the first time.

• (2:40 p.m.)

THE BUDGET

TABLING OF BUDGETARY PAPERS

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, may I have the permission of the house to revert to motions?

Some hon. Members: Agreed.

Mr. Sharp: I wish to table copies of the usual budgetary papers in English and in French, and I would ask the consent of the house to have these papers appended to today's *Votes and Proceedings* and also included as an appendix to *Hansard* of Thursday, June 1, when I intend to present the budget.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Inquiries of the Ministry

UNITED NATIONS

MIDDLE EAST—REQUEST FOR REPORT ON SECURITY COUNCIL MEETING

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. Bearing in mind the fact that the security council met yesterday and is to meet again this afternoon to discuss the perilous situation in the Middle East, will the Secretary of State for External Affairs tell the house whether there were any hopeful signs in the discussions which have already taken place?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I thank my hon. friend for indicating that he proposed to ask this question. As my hon. friend knows, the security council met yesterday and will meet again this afternoon at three o'clock to continue its consideration of the situation in the Middle East. It met first on May 24 at the request of Canada and Denmark, and then adjourned until the Secretary General had returned from Cairo and made his report, which was issued on May 27. His report is inscribed on the agenda, as well as an item put on the agenda by the delegate of the United Arab Republic.

Consultations are now taking place with a view to reaching agreement on what action the council might take. Efforts are focusing on the idea of an appeal to the parties to exercise restraint in support of one of the recommendations of the Secretary General based on the following section from his report:

> In my view, a peaceful outcome to the present crisis will depend upon a breathing spell which will allow tension to subside from its present explosive level. I therefore urge all parties concerned to exercise special restraint, to forgo belligerence and to avoid all other actions which could increase tension, to allow the council to deal with the underlying causes of the present crisis and to seek solutions.

Yesterday the Canadian ambassador, who intervened in the debate, urged that interim action by the council was desirable along the lines suggested by the Secretary General as a prelude to more specific action by the United Nations later when consultations might, as he said, "allow us to reach a maximum amount of understanding on what the next step should be".

The council will be meeting at three o'clock, and we will have to await the outcome of the meeting this afternoon to see what happens tomorrow or the next day.

[Mr. Speaker.]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Secretary of State for External Affairs a question. In view of the fact that the appeal by Premier Kosygin of the U.S.S.R. to both Israel and the U.A.R. to refrain from any precipitous action gave a good deal of encouragement to those who hoped that a war could be averted, may I ask the Secretary of State for External Affairs whether he has received through diplomatic channels any corroboration of President Nasser's claim that the U.S.S.R. has given him a guarantee that it will help him maintain a blockade of the gulf of Aqaba.

Mr. Martin (Essex East): Mr. Speaker, I have no information with regard to this reported statement. I believe that the Soviet union has suggested to all parties involved that restraint and moderation in the situation should be exercised.

[*Translation*]

HEALTH AND WELFARE

REQUEST OF COUNCIL OF BLIND FOR ELIMINATION OF MEANS TEST

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare.

Could he tell us if, following the conference of the Canadian Council for the Blind held last week end in the maritimes, he received a telegram requesting the abolition of the means test for the blind who apply for a pension and if he intends to consider that rightful request during the present session?

[*English*]

NATIONAL DEFENCE

MAINTENANCE OF PEACE KEEPING FORCE FOR FUTURE SERVICE

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the outstanding work that has been done by the Canadian component in peace keeping operations, is it the intention of the government to maintain the force intact in the event that its services may be required again in the future?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, if I might be allowed to deal with that question, may I say the Canadian contingent to the United Nations emergency force was composed of components of the service elements of the army, in other

words the ordnance, the R.C.E.M.E. and so on. Therefore it is not the kind of unit which would normally be kept intact. It is not comparable, for example, to an infantry battalion. We have on stand-by an infantry battalion in case it is required for United Nations purposes, but the troops that we contributed to the United Nations emergency force in the Middle East kept the services in operation for the contingents from other countries. Therefore it is not the kind of component which would normally be kept separate as a unit.

I can assure my hon. friend, however, that one of the basics of our policy is to have in our force the elements which can be used from time to time as required for United Nations or for any other purposes. We have been able on each occasion to respond to the needs of the United Nations, and I expect we would be able to continue to do so at any time in the future if this was in the national interest of our country.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I ask the minister a supplementary question. In view of the fact that some 300 members of the militia are to be sent to our Canadian brigade in Germany to temporarily plug the hole in personnel requirements, is it the government's intention to redirect any of the recce units when they return from the Gaza strip to the European theatre under our NATO commitments?

Mr. Hellyer: Mr. Speaker, I know of no such plan as indicated by my hon. friend. We are, of course, as part of the plan for the use of the militia, giving them more training with the regular forces. We feel that in this way they will be in a higher state of readiness in case of emergency. But I know of no such plan as indicated by my hon. friend. I will take his question as notice, but I do not think in fact—

Mr. Winch: Is the minister saying that he does not know 300 men are going to Germany?

Mr. Hellyer: I know we are exercising the militia with the regular forces, but I do not know that there is a contingent of that size going. I would certainly want to check before confirming that information.

Mr. Winch: The number is 304.

Inquiries of the Ministry

OIL

PROPOSED CONSTRUCTION OF PIPE LINE TO CHICAGO AREA

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to ask the Prime Minister a question in connection with our petroleum industry. Has the Prime Minister had word from his minister of mines and energy that he has received United States approval to build a petroleum pipe line to tap the valuable Chicago market, as reported this morning?

Right Hon. L. B. Pearson (Prime Minister): I shall have to look into that, Mr. Speaker.

[*Translation*]

AGRICULTURE

QUEBEC—REQUEST THAT EGG IMPORTS BE REDUCED

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I wish to put a question to the Minister of Agriculture.

On May 16, in the absence of the minister, I put a question to the parliamentary secretary as follows:

> In view of the massive imports of eggs into the province of Quebec which work undue hardship on our own producers, would the parliamentary secretary tell us what steps the minister will take to remedy the situation which is detrimental to our farmers?

In his reply, the parliamentary secretary informed me that he would bring this matter to the attention of the minister and that the latter would reply.

Is the minister in a position to reply today?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I am not ready to reply today, but I shall try to have an answer for the hon. member tomorrow.

[*English*]

DIVORCE

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. George Muir (Lisgar): May I direct a question to the right hon. Prime Minister. Could he inform the house when the government expects to proceed with the divorce legislation, which has been noted in the speech from the throne?

Inquiries of the Ministry

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, it will be as soon as we can get to it, when the committee has completed its work. That will not be before the autumn, I should think.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): My question is directed to the Minister of National Defence. I wonder if the minister can say whether the plan followed by the Greek army in its recent insurrection was based on a NATO plan for handling communist governments.

Mr. Speaker: Order, please. I doubt whether that question is acceptable.

CANADIAN BROADCASTING CORPORATION

REPORTED VIOLATION OF ELECTION BROADCASTING REGULATIONS

On the orders of the day:

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, yesterday the hon. member for Queens (Mr. Macquarrie) raised a question in regard to an alleged violation of the Canada Elections Act by the Canadian Broadcasting Corporation during the week end period prior to yesterday's by-elections.

I have looked into this matter with the corporation and am informed as follows. Last week, in view of Monday's voting and the provisions of the elections act in regard to broadcasting, instructions were sent to the C.B.C. stations in Ottawa and Montreal and to the affiliate in Sudbury to have the "Nation's Business" radio program, scheduled for broadcast on Sunday afternoon, either prereleased before Saturday or held over until after the by-elections.

These instructions were observed in the cases of Montreal and Sudbury. At C.B.O. Ottawa, however, through an administrative error these instructions were not carried out, and the program in question was carried on this station at 12.55 p.m. Sunday in violation of the 48-hour blackout provision of the elections act.

The matter has been drawn to the attention of the Board of Broadcast Governors and the chairman informs me that consideration is being given to what action, if any, might be taken by the board against the C.B.C.

[Mr. Muir (Lisgar).]

DRUGS

PROTECTION OF DRUGGISTS IN REMOVAL OF SALES TAX

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I wish to direct my question to the Minister of Finance. In view of the minister's statement in answer to a question yesterday, when he said it would be the intention of the government to proceed with the removal of the sales tax on drugs, will he consider protecting the druggists who have on hand large inventories of drugs on which they have already paid the 12 per cent tax?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, this problem has been very much in our minds.

NATIONAL DEFENCE

RETURN OF SUPPORT EQUIPMENT OF UN FORCE COMPONENT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I wish to direct my question to the Minister of National Defence. In view of the speedy return to Canada of our service personnel from the Gaza strip, will the minister inform this house whether the support equipment including transport and signals has been or will be repatriated? If not, who will be the beneficiary at the expense of the Canadian taxpayers?

Hon. Paul Hellyer (Minister of National Defence): The bulk of the force has now been evacuated; there is, however, a rear party in charge of the evacuation of that equipment which belongs to Canada. I understand that equipment belonging to the United Nations is to be disposed of in accordance with directions emanating from the United Nations in New York.

AGRICULTURE

INQUIRY AS TO ESTABLISHMENT OF TASK FORCE

On the orders of the day:

Mr. Ed. Schreyer (Springfield): My question is to the Minister of Agriculture. Is he in a position to say when his special task force on agriculture will be established? When will its personnel be constituted?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, we are attempting to obtain a chairman of the highest possible calibre to head this task force. We hope to succeed in having him appointed very shortly.

[*Translation*]

INQUIRY AS TO MEETINGS WITH PROVINCIAL MINISTERS

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to direct my question to the hon. Minister of Agriculture.

Does the minister intend to meet with the provincial ministers of agriculture before June 10, 1967, and see to what extent they are prepared to co-operate so as to help him meet the requirements of the dairy producers in Canada?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, there are no arrangements to meet the provincial ministers now, but I shall be glad to meet them if that could be of any assistance to the dairy farmers.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, would the hon. minister pattern his policy on the dairy policy of the Quebec government?

[*English*]

UNEMPLOYMENT INSURANCE

INQUIRY AS TO INTRODUCTION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Can the minister say how soon the government will introduce its legislation to amend the Unemployment Insurance Act with respect to the level of benefits under that act, and the other changes the government intends to make?

Hon. J. R. Nicholson (Minister of Labour): The work is well advanced on the new program, but I doubt if the actual legislation can be introduced before the summer adjournment.

FISHERIES

RULING BY QUEBEC GOVERNMENT ON COMPENSATION PAYMENTS TO FISHERMEN

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I wish to direct a question to the Minister of Fisheries. In view of the impact upon the price of fish in the Atlantic provinces resulting from a ruling by the government of Quebec regarding compensation payments to Quebec fishermen this year, will the minister indicate whether he has discussed this problem with the minister of fisheries of Quebec and other fisheries ministers who are affected by the Quebec action?

Hon. H.-J. Robichaud (Minister of Fisheries): I wish to inform the hon. member that such a decision was taken by the government of Quebec without any consultation whatsoever with representatives of the federal government. I have expressed my concern to some of the senior officials of the Quebec fisheries department, but I have had no discussions on the matter with the minister responsible.

Mr. Crouse: May I ask a supplementary question of the minister. Will he give consideration to calling a conference with the other ministers of fisheries for the provinces concerned to discuss this very important question?

Mr. Robichaud: The decision by the government of the province of Quebec does not come under federal jurisdiction. Should the provincial governments concerned desire to call such a conference, I would be prepared to give all the assistance possible.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF THE SECRETARY OF STATE

1. Departmental administration, including grants as detailed in the estimates, $1,648,900.

Miss LaMarsh: Mr. Chairman, I should like to take this opportunity to say a few words about the department and some of the agencies for which I am responsible and for which I report to parliament, before I attempt to answer any specific questions which may be put to me. I shall try to be non-controversial and brief.

• (3:00 p.m.)

Starting with the department proper, I should like to say that the increased financial requirements are due principally to a new formula for making payments to the provinces in respect of post-secondary education, and the second and more expensive stage of the construction of the national arts centre.

Mr. Walker: On a point of order, Mr. Chairman, there are a number of meetings going on in the house at the moment and I am finding it difficult to hear.

The Chairman: Order. It is difficult for hon. members to hear what is being said by the Secretary of State.

Miss LaMarsh: I was explaining that the estimates are up this year principally because of the new formula for making payments to provinces in respect of post-secondary education, and to cover the cost of the second stage of the national arts centre, the opening of a new museum of science and technology, the cyclical salary increases and a general acceleration in practically all the departmental programs, citizenship, translation and so on.

If I might deal with these one by one, I should like to begin with the centennial commission. The estimates will show a decrease of more than $9 million. This is due, of course, to a natural and gradual reduction in the work of the commission. It is expected, however, that there will be some supplementary estimates later this year to cover certain costs which could not be effected last year and which will be brought forward in the current year.

I should like to mention some of the programs which have been successful, and to thank all hon. members in all parts of the house for the time and effort they have generously given to ensure that all Canadians will be able to celebrate the centenary without regard to the politics of any of us.

The confederation train has won popular acclaim far beyond our expectations. Attendance has been averaging between 8,000 and 10,000 per day, and over one million people have visited it so far. Similarly, each of the eight caravans which commenced operations about a month ago, on May 1, has attracted between 5,000 and 10,000 visitors daily and collective attendance is nearing the million mark. It is estimated that by the end of the year eight to ten million people will have seen the train and caravans. As yet no decisions have been made with respect to whether the train or the caravans will be used beyond 1967 either at home or abroad, but we are receiving from the provinces and other agencies a number of suggestions with regard to their possible use. It has been suggested that they might be used, after some modification, for promotional purposes outside the country.

With respect to the youth travel program, this is made up of two elements, the federal-provincial program and the voluntary program. They have been in operation for the past three years and this year they are being expanded. In 1967 some 4,800 young people will travel under the federal-provincial program, and 78 voluntary agencies will receive grant assistance. The programs have been so enthusiastically received as a means of getting young people to know one another across the country that it has already been determined that this is one of the schemes which will go forward, probably under the aegis of the department of citizenship, in the years to come.

Some hon. Members: Hear, hear.

Miss LaMarsh: A word about the performing arts program. The assistance given to performing arts companies including Festival Canada and others on tour as part of this program has made it possible to bring a wide variety of cultural and popular entertainment to both large and small communities throughout the country. Attendance to date has been considerably larger than was estimated, and the program has been very well received. To begin with the fare provided was "long hair" rather than "short hair", in the old, classical definition of the term—

Some hon. Members: Oh, oh.

Miss LaMarsh: —but lately some of the newer "long hairs" have been stimulated by the addition of more popular programs which will be touring throughout the year. For the first time there is an opportunity to build audiences in parts of the country where people have not had a chance to see live entertainment before. Through a program which subsidizes tickets, people are able to take young students and parents are able to bring their families to see live entertainment for the first time. This again is one of the programs which is being evaluated to assess the possibility of carrying it on in subsequent years.

I might add that the provinces co-operate with the federal government in subsidizing tickets under this program, so its future would have to be worked out in consultation with the provinces. Furthermore, in some cases the performers are receiving payment smaller than they would normally receive, this being a centennial project in which they are participating, and we could not expect this arrangement to continue. But the warmth of the response to the program has encouraged us to look into this matter further to see what might be done in years to come.

The Voyageur Canoe pageant which is due to terminate in Montreal the first week in September has already begun, ten canoes taking part manned by crews of ten men from

the provinces and the two territories. I believe the provinces of Prince Edward Island and Newfoundland are the only ones which are not involved because it was not possible for them to find paddlers. The program got off to a tremendous start at Rocky Mountain House, Alberta, and as the canoes travel toward Saskatchewan this event is stirring great interest among those of us who look upon it as one of the most exciting of the centennial programs.

Those are the purely federal programs, some of them, as I have mentioned, carried out in co-operation with the provinces. In addition we have had occasion to build structures of a lasting nature such as cultural and recreation centres, libraries, parks and other community projects. I am sure every hon. member has already been involved in at least one opening ceremony in connection with these projects in his or her constituency. Thus we have been able to celebrate the centenary by means of programs and projects of national significance as well as by local programs which seem to be increasing in intensity as we approach July 1.

This year has given us the opportunity to take a long look at ourselves, to assess the point at which we have arrived and consider, perhaps, the direction we may wish to take in the future. It seems to me that already we can sense a real increase in pride of country among Canadians, and certainly an increase in confidence in ourselves as Canadians; one does not have to be a little apologetic about it. I think a healthy and grown up attitude toward Canada has been encouraged by the wholehearted participation of Canadians in the celebration of our first hundred years.

That is a short description of the centennial programs. I shall be happy to answer any questions which hon. members may wish to ask on this subject.

I turn now to the Board of Broadcast Governors. The increase in the amount of the vote in this year's estimates reflects a greater number of personnel required to deal with increasing responsibilities being placed upon the board and contemplated later in the year, as well as cyclical salary increases.

• (3:10 p.m.)

With respect to the C.B.C., the amount here is again up, partly due to salary increases. Some of these arose from the settlement of the threatened strike last year. Another part of the increase is due to centennial programming, and I think most hon. members will agree that the broadcasting corporation has given a great deal of its time to this. The latest of these programs was the filming in St. John's, Newfoundland, on Saturday night last of the dominion drama festival finals. The corporation has also had additional programs dealing with Expo '67. Another part of the increase is due to the increase in colour programs to the extent permitted by policy, as well as interest on capital loans. These are the chief headings under which the C.B.C. has additional financial requirements, as shown in the blue book.

The office of the Chief Electoral Officer, shown independently from the Department of the Secretary of State, also has an increase in its vote primarily due to a slight increase in staff and to the cyclical salary increases.

On page 328 of the blue book will be found the estimates of the National Film Board. Here again there are increases. I am informed that these increases result from increased salaries including the cyclical pay revisions, the educational film program to meet the growing demand for audio-visual aids in support of better learning and communication methods, more prints for distribution in order to keep pace with the population growth particularly in the 20 largest urban centres in Canada, and also to provide much needed information material for Canadian diplomatic posts abroad, to continue the colour conversion program, and to provide for new distribution offices of the film board in Detroit and Tokyo.

The estimates for the National Gallery of Canada are to be found at page 334 of the blue book. The major reasons for the increase in this vote are more funds for the purchase of works of art for the national collection, the emphasis on major exhibitions and on audio-visual educational materials, salaries for additional positions, cyclical salary review and, for the first time, provision for office furniture and furnishings. During the past year under its new director the gallery undertook a very active program with a view to reaching Canadians everywhere in Canada to encourage them to participate in the cultural life of the nation. This seems to have been very successful, judging by the numbers of people coming to the gallery and the well attended lecture programs. The 1967-68 program reflects the continuation and further development of this role.

The estimates for the public archives and national library are to be found at page 400 of the blue book. The national library and

archivts building, which was begun recently, has just been completed and we anticipate it will be opened on June 20, so that some of the service requests and reference services which are already being provided will increase at a much greater rate. Since the employees have been moving into the building from the beginning of the year it is still too early to say what kind of savings will be effected, but I suggest to hon. members, if they have not been in the building, that they go and take a look at it. Dr. Lamb is particularly proud not only of the building's appearance but of its new facilities.

The estimates for public printing and stationery are to be found at page 406 of the blue book. This vote shows a decrease in financial requirements. The principal reason is that a great number of centennial publications will not require to be printed during the current financial year.

On page 410 of the blue book are the estimates for the Public Service Commission, which reflect a number of changes from the 1966-67 estimates. Some of these are due to Bills C-170, C-180 and C-181, passed during the last session, which resulted in three organizational groups leaving the newly formed Public Service Commission. The bureau of classification revision and the pay and standards branch were transferred to Treasury Board. The pay research bureau became part of the public service staff relations board. The major increases occur in the language bureau and the staffing branch. The language bureau has developed very rapidly and the increase provides for increased classroom facilities, new language teachers, and funds for the purchase of homes and furnishings under the bicultural program in Quebec and Toronto. The rest of the increase is attributable mainly to increased activity in the staffing branch in the areas of travel, advertising and professional services.

This, Mr. Chairman, is a very cursory look at my responsibilities, but I would be very happy to answer any questions. It is hoped that broadcasting will be looked into. It has already been gone into in some depth by the standing committee, which will be meeting on the subject of educational television during the summer. It is hoped that the amendments to the Radio Act will be placed before the house soon, at least for first reading, so the amending bill may be considered during whatever summer recess we are able to have. It can then be discussed by the standing committee in the fall and hopefully the bill, with any desired amendments, will be passed during this calendar year. As to senior appointments within the C.B.C., it is not now anticipated that they will await new legislation. It is thought the appointments will be made under the old legislation within a relatively short period of time.

The citizenship responsibilities which came under the Department of the Secretary of State on October 1 last have resulted in a bill which I understand will be before the house tomorrow. It was hoped that a new citizenship act could be passed during this centennial year, with all its symbolic significance, but in order to effect some of the really desperately needed changes amendments have been brought forward. It is hoped that whatever minister is responsible will produce a completely new citizenship act in the not too distant future.

During the last year the Department of the Secretary of State has been responsible for some most interesting and relatively unusual preoccupations, one of these being the arrangements for the funeral of the late governor general, and another being the arrangements for the installation of the new Governor General. While they have been the responsibility of the Department of the Secretary of State I should like to say they have been effected mainly by the tremendous efficiency of what is in fact a very small department, and particularly by the under secretary of state. I should like to pay a tribute to him and to his staff for effecting on those two occasions what were really a couple of miracles within a relatively short time.

There will be a number of other protocol occasions which my department will be responsible for when the royal visit takes place in another month. While my department is not responsible for the visit as such, there being a special office set up for it and reporting to the Prime Minister's department, yet we do have certain responsibilities and I understand hon. members will be given some detailed information on this matter within a few days.

If there are questions concerning any part of the department or the agencies for which I am in some measure or other responsible, I should be very happy to answer them.

Mr. Fairweather: Mr. Chairman, the severity of my criticism will have nothing to do with the wonderful job the minister has been doing over the last couple of months vis-à-vis the centennial celebrations, but I must say that those of us who are in opposition to the

government had expected a rather complete statement on the government's intentions, first about satellite broadcasting and second and more importantly, about educational television.

• (3:20 p.m.)

The minister rushed in to the house not so many weeks ago with a piece of paper containing the supplementary estimates, and told us if we did not pass them forthwith this would mean the end of educational television for a couple of provinces. As often happens in this parliament, the rush of the moment does not stand the test of closer analysis. I would have thought, however, that whatever was there to support the minister's urgent request of some weeks ago would equally support her statement on her estimates. I will perhaps have more to say about this in a moment, though I should like briefly to examine one or two of the responsibilities of the minister and then, like everybody else in parliament, talk about the Canadian Broadcasting Corporation. My comments about the Canadian Broadcasting Corporation will mainly be complimentary.

First I should like to mention the change in the National Film Board and wish the new commissioner, Dr. Hugo MacPherson, well. I think the minister will agree that he is taking over a going concern, and I should like to mention an informal meeting the broadcasting committee held last December at the National Film Board building in Montreal.

The knowledge and concern for the operation of this first rate federal agency of the acting commissioner, Grant McLean, was as obvious to members of the committee as it was remarkable. His knowledge as well as his frankness certainly delighted me, as I am sure it delighted many others who were used to some of the less than frank comments made many times when members of parliament have asked questions. As I say, I wish the new commissioner well, and the fact that he has asked Mr. McLean to carry on and run the board is testimony to the efficiency of that senior official.

This is a good juncture at which to pay special tribute to a senior public servant who has served the agency for so many years, and who for 14 months served the board and Canada in the never easy role of acting commissioner. Our public service and Canada have been fortunate to have had this type of loyalty and dedication.

Let me now break with some members of parliament and talk for a moment about the National Gallery and its acquisitions, and beg my colleagues here to keep their hands off the problems of gallery acquisitions, which should be the responsibility of the director and trustees. When we think of acquisitions we should remember that we are not buying for this year's estimates, for this decade or even for this century. We may be buying, and this is not too extravagant a thing to say, for a millennium. I get very tired of seeing people rushing to the press or other media saying my gracious, we are spending a couple of million dollars on an acquisition; because if this was amortized over the generations it would be an insignificant part of the money spent in this country to acquire priceless things.

We are all jumping up and down about Expo, and rightly so. We do not seem to mind—I certainly do not—that we have been able to find $225 million for that site, and I do not know even whether that figure is correct because it seems to be escalating, to use a new word. If in our joy about Expo we can also think of some permanent acquisitions for the public wealth of this country, then we would not be so quick to criticize when a million or two or even three or four is spent on priceless works of art.

Recently I had the privilege of reading a profile about a rather interesting person, Mr. Thomas Hoving, who did something rather remarkable for the city of New York. He really transformed the parks and other public amenities in that great city. This is the type of support I hope the minister, the gallery people and trustees will have in so far as acquisitions of works of art are concerned. Quality should be the main consideration, coupled with trust in the competency of the officials we put in charge of these public institutions. Whether they spend $1 milion or $2 million matters not over the centuries.

I am glad the minister spoke about the plan for continuing the youth travel program. It is remarkable that 4,800 young people have had the benefit of this program, and many of us applauded the minister when she said the program would be continued. It is my hope that we do not become too self-centred about the program, and I am sure we will not. I am very anxious that our Indian and Eskimo children, for instance, will be given just as many opportunities to visit different places as are those of our youngsters who are, so to speak, in the mainstream of Canadian life.

The minister has made it rather awkward to comment about television because she has just talked about some estimates that have gone up. Of course they have gone up, and perhaps that should not worry us too much in this expanding field, although I thought for instance that satellites and educational television would be considered. I myself am sort of an old fashioned Bennett Tory when it comes to public broadcasting. Public broadcasting is, among other things, a great monument to R. B. Bennett; and as long as I am representing the constituency of Royal I will do everything possible to continue the primacy of public broadcasting in Canada. Having said that, that primacy must be accompanied by quality and generally speaking I think the Canadian Broadcasting Corporation has done a terrific job for this country.

One of the most ironic things about the move to bring French television to Quebec via satellite is that no account has been taken of the very poor quality of French television. French television is subject to almost the severest censorship of any in the world and, if my information is correct, it is boring. If that is what our compatriots want, once the satellite gets into operation they will understand what a really superb job Radio Canada has been doing for Quebec citizens in the field of French programming.

We must not underestimate the wishes and capacities of the people of Canada. When we think of broadcasting I suppose all of us have had examples of criticism about this or that individual program. I cannot help but recall a letter which appeared in one of our local newspapers at home in New Brunswick.

• (3:30 p.m.)

When the Saturday afternoon or evening, whichever it was, wrestling matches were removed from television some farsighted person wrote and said, "What will the people of Kings county do now that 'rasslin' is off the C.B.C. on Saturday nights?" I think the people of Kings county can find something to do on Saturday nights without watching wrestling matches. This was perhaps five years ago. I do not believe that type of letter would be written now because I think some of the very special work that has been done by the C.B.C. has enriched the tastes of the public. Actually what it is all about here, is it not, is that we as members and the corporation should be challenging the capacity of the public? When we give up the challenge to pap and nonsense we are abdicating this responsibility.

[Mr. Fairweather.]

Perhaps what I am about to say will be taken as too far reaching but I am going to say it anyway. I remember very clearly, as some hon. members do, the controversy about the so-called "Seven Days" matter. When we had an opportunity in the broadcasting committee to analyse this program we found that of 500 items which had been presented in the life of the program five only were held up to some public citicism. One of them—perhaps this will be the end of my public career but I might as well go with a bang as a whimper —was the matter of the inflating of the breast of the San Francisco go-go dancer. I watched that program and thought it was one of the most poignant and sad events I had seen depicted on television because it was the sale not of any erotic or obscene thing but of a person's dignity. Surely this was the point the program was trying to make. But little people, who have evil in front of their minds, took the wrong context and immediately rushed to the telephone and other communications media and brought the message to their members and to the people who were trying to show what really is obscenity. It was obscene to detract from the dignity of the human individual; that was the message.

I think the corporation should be allowed to continue with this type of challenge. There are many obscenities in life, far more than there are on any newstand down town in any of our cities. There is a very obscene event going on now across the world. There is another one in the Middle East, far more obscene in the true sense of that word than those that we nitpick about in respect of our public broadcasting corporation.

Some hon. Members: Hear, hear.

Mr. Fairweather: A person for whom I have a great deal of admiration wrote a letter to the Carnegie commission which has just been investigating public television. In that letter this person said something that I should like to include as part of the comments I make. That delightful essayist, E. B. White, in a letter to the Carnegie commission on public television said:

> Non-commercial television should address itself to the ideal of excellence, not the idea of acceptability—which is what keeps commercial television from climbing the staircase. I think television should be the visual counterpart of the literary essay, should arouse our dreams, satisfy our hunger for beauty, take us on journeys, enable us to participate in events, present great drama and music, explore the sea and the sky and the woods and the hills. It should be our Lyceum, our Chautauqua, our Minsky's, and our Camelot. It should

restate and clarify the social dilemma and the political pickle. Once in a while it does, and you get a quick glimpse of its potential.

I think the Canadian Broadcasting Corporation does this a good many times, and I believe that rather than denigrate it all the time we would do well to take pride in its achievements. Challenge it, yes, but heaven forbid that I should ever enter the lists in standing in my place in parliament as a critic of quality and content in the narrow sense of programming.

The broadcasting committee has made a recommendation or two which I am sure the minister is considering when preparing legislation. I hope, for instance, that C.B.C. radio will be allowed to get out of commercial activity altogether, with certain exceptions. There are always exceptions that prove rules. We would not, of course, get the opera without the Texaco label, and so on. But I think it is an infinitesimal amount of money that we receive from commercial advertising on radio, and it might provide a good pilot way to get the corporation out of advertising altogether, which perhaps is the ultimate goal of some dangerous people in this parliament, including myself.

In so far as the satellite is concerned, I hope very much that we will follow the Canadian way of doing things and make the agency that controls the satellite a public corporation. I could not imagine the government that sits opposite to me doing anything other than this. This would follow, of course, my Bennettism very well. I suspect that this is what the government has in mind, although we have had very little information about it.

As one who lives on one of the edges of the country, so to speak, I am quick to acknowledge that Canadian broadcasting is unique in the world. I do not make claims that it is the best—it does not really matter what I claim —but I think it can be as good as any if we keep paramount the principles upon which it was founded and nurtured.

One of the things that the corporation does, for instance, for the peripheries of this country is give the public an opportunity to be challenged by criticism and opinion. We have the problem of one-newspaper cities. In some cases the radio and television outlets are run by the same proprietor as is the newspaper. I do not think that inherently there is a danger here, but unfortunately this type of thing prevents a really meaningful challenge to some of the pat ideas of the publisher and the editor, and so on. We in the southern part of New Brunswick are anxiously awaiting the provision of a new C.B.C. television channel. The private station there is anxious to join the C.T.V. network. I hope that the corporation in its capital budget will soon provide this new facility in southern New Brunswick.

As I said earlier, I believe that the C.B.C. must have a special and primary position within the structure of broadcasting. I want to say what a very great privilege it was to serve on the broadcasting committee. It is an interesting thing to know that on that committee it was not so much the party position that was taken, if there is one—I always feel protected by the heritage I have from R. B. Bennett—but a position on the primacy of public broadcasting. It was not so much the party position as the primary position of public broadcasting. Some day when somebody is doing an analysis of committee reports he may find this an enteresting trend. Perhaps this ground could be explored at some seminar by the C.B.C. itself, on a summer day under a tree somewhere.

• (3:40 p.m.)

I believe that the profit motive must be subservient to the idea of service in the name of national policy and public interest. Even the president of the C.B.C. himself had to admit before our committee—this was a very crucial admission and, to give him credit, I do not think he liked making it—that there are really very few public affairs programs of national interest broadcast in prime time over the C.B.C. today. This is a serious admission for the corporation to have to make and a serious indictment of our interest in programming itself. The white paper says:

—the determination to develop and maintain a national system of radio and television broadcasting in Canada is an essential part of the continuing resolve for Canadian identity and Canadian unity.

I think that is true, and that is why it is so important to see that a good many programs on public affairs and news, which will serve to strengthen the very purposes for which the corporation is set up, are given prime time. Unless we really mean what we say in the white paper and in the broadcasting report we might as well surrender the whole idea. I do not think the people of this country want that type of surrender, unless I am misinterpreting their views.

Mr. Choquette: May I ask the hon. member a question?

[*Translation*]

I should like to put it in French, if the hon. member will allow me. Is he in favour of the C.B.C. building throughout the country relay stations which would retransmit the French programs of the C.B.C.'s French network in order to enable our English-speaking compatriots to get a better insight into French culture?

[*English*]

Mr. Fairweather: The hon. member for Lotbinière has asked an interesting question. I think this might be an interim concept leading to the day when we will cease to need relays. I think the minister made a very significant comment in Newfoundland when she said that the French prize-winning play was the first one she had seen since high school. I regret to say that most of us would have to admit the same. I like to look forward to the day when we will not need relays any more, when we will be able to turn on the television and if we come upon a superb French play we will sit back and watch it with understanding, or if it is Monique Leyrac, who is able to do more than any separatist for the advancement of the great French culture, we will be able to enjoy that program also. In the meantime, if relay stations will help to bring about this day, then let us build them.

I did have some important statements underlined but in view of the fact that the minister has not given us her own philosophy on this subject she will have to take the philosophy of the hon. member for Royal. In developing it I should like to quote an article by Eric Goldman called "Can Television Meet The Challenge Of The Future?" The parts I wish to read to the house are very relevant and bolster my argument that many times we underestimate the capacity of the country.

Miss LaMarsh: When was the article written?

Mr. Fairweather: I regret that I will have to supply the reference later. My filing system being as it is, this beautiful Xerox copy is undated. Xerox has not yet achieved a technique for supplying dates on copies of material. Mr. Goldman wrote the following:

> —you know perfectly well what commercial t.v. is doing. It is doing what mass culture—whether the dime novels of the 1890's, the movies of the 1920's or today's t.v.—always does: It is catching up certain parts of popular thinking and taste, making them more emphatic and colorful, and handing them back. As such, one can shrug away the effects of t.v. on American civilization. It is, after all, another one of the facts of life.

[Mr. Choquette.]

Mr. Goldman was addressing the United States public. I am far from being a continentalist but in this instance we have to admit the facts of life in public communication.

He went on to say:

> We Americans have our nostalgias, and one of the most persistent is a picture of a premass-communications United States, filled with noble, uncorrupted citizens basing their judgments on an abundant and undefiled spring of facts. Unfortunately the nostalgia is largely nostalgia.

Farther on he wrote:

> T.V. has also thrown open windows on the democratic process.

That may seem trite but perhaps in the whole context of my comments its relevancy will be seen. He continued:

> —the citizen acquired a far greater sense of the real candidate—

He was speaking of television in elections. I will be coming to the point with which I will end television in the House of Commons.

> —the cast of his personality, the temper of his mind, the essential nature of his attitudes.

Of course it was obvious to all of us that it was television which saved the American people once from Richard Nixon.

The author went on to discuss what are the components of the new civilization to which television is speaking. He wrote about the younger generation. Perhaps the emphasis on youth has been done to death. I find it harder to take as the birthdays go by. He wrote about "this youthful, educated, comfortably fixed metropolitan man or woman" in the new America. He called him "the Metroamerican, with a quite different idea of the kind of life he wants to lead and the kind of country in which he wants to live". I think this is true, and out of it comes a far more compassionate and openminded person. I am not quoting Goldman here; these are my own words. I believe that the young people of today are more compassionate, more open-minded and will not put up with the irrelevant. One of the criticisms I could make of the other generations is that they put up with so much nonsense and irrelevancies. This is why it is going to be so much harder for us as members of parliament in the future. Youth is no longer deceived by all the nonsense, and unless we can show that we too have compassion and an open mind we will, like a good many people yesterday, not do too well in by-elections.

Perhaps the noise over the sound system is a signal for me to stop. Were I to choose a

theme it would be that we should stop denigrating the good, that we let the director and the trustees of the corporation buy quality, that we let the programmers in our great national corporation put on programs of good quality in prime time so that they can fulfil their mandate, and that we should not run for cover every time somebody criticizes us. I do not know whether they think members of parliament are producers. Sometimes when I go home and get the full flack from certain programs I wonder whether I should take out a membership in a producers' union or ACTRA. I never hope to stand here and criticize program content because I do not believe that is our job. I do sincerely believe that there is much more good in the public corporation, by overwhelming odds, than there is bad. I think that we—

• (3:50 p.m.)

An hon. Member: Name one.

Mr. Fairweather: Someone says, "Name one". Well now, that is a challenge. I do not have the television listings with me but I could start, for instance, as my rearguard mentions, with "Quentin Durgens". I believe that program has done a great deal to improve the understanding of what we are about here. However, I do not believe it is the best thing that ever happened.

I think, for instance, the corporation's news special over the week end about the Middle East crisis was very good. Very few corporations have the courage to do this. Fred Friendly, the great United States broadcaster, is out of private broadcasting because he could not challenge the greedy people who were not able to give up the public heritage of the publicly owned airwaves to tell the public about what the United States Senate foreign affairs committee under Senator Fulbright had to say about Viet Nam. I think we should take in the whole ambit of this challenge. I feel that the radio farm program has, for instance—

The Chairman: Order. I must interrupt the hon. gentleman to advise him that the time allotted to him has expired.

Some hon. Members: Carry on.

The Chairman: Does the hon. member wish to continue?

Mr. Fairweather: Not really, no; I believe that succinctness is a quality we should have. However, I should like to finish this challenge about the quality of the corporation.

Mr. Prittie: "Nightcap"?

Mr. Fairweather: Yes, "Nightcap". There is nothing wrong with "Nightcap". Nobody questions that program because all the prudes are in bed by this time. "Nightcap" was a gay program. The interesting thing about it is that those who were involved in it knew that they had come to the end of their gambit, so they have gone off to refresh themselves in other parts of the world and add their talents to other networks. "Nightcap" was good and gay. I know these are qualities that it has taken Canada 100 years to find acceptable.

I did not particularly like "Sunday" because I did not believe it was nearly as interesting as "Seven Days". I like "Seven Days". I had empathy with it, if anybody cares what I had with it. I remind my critic that there were only five items in the program that were challenged, and I feel those were mainly misunderstood. I believe that the hosts of "Seven Days" contributed immeasurably to the understanding of the challenge of television in this country.

May I quote from a very dangerous fellow, Sir Hugh Greene? Speaking about the conscience of the program director to the International Catholic Association for Radio and Television in Rome on February 9, 1965, he said:

> At least in the secular and scientific fields—today's heresies often prove to be tomorrow's dogmas. And, in the case of the potential Ibsens of today, we must not, by covert censorship, run the risk of stifling talents which may prove great before they are recognized.

This might be a good place to end that challenge.

Mr. Prittie: Mr. Chairman, may I first say how much I enjoyed the speech delivered by the hon. member for Royal. I always agree with him. I do not know if that makes me a Bennett Tory or him a New Democrat. Before I continue with my remarks I should like to ask two brief questions of the minister. The minister was making some remarks when someone spoke to me and I did not hear them. My first question is, did the minister say that broadcasting legislation would not be coming before the house in June, that is, not before the fall? Second did she say a committee would be considering educational television during the summer? I do not know what she meant by that.

Miss LaMarsh: What I said was that the broadcasting legislation, which consists of the Radio Act and some other amendments to another act the name of which I have forgotten, and the educational television act are

contemplated for 1967. It is presently contemplated that within the next few months the main act will be before the house for first reading, will be exposed and sent to committee. It is hoped that it will be passed before the end of 1967. This is a much later timetable than we expected.

In other words, it would not be passed before the first of July so we would not seek to name the new officers after its passage but would name the new officers before we pass the bill. Although I did not say so at the time the first item for educational television was introduced, it was introduced because of the demands of the provinces that everything would be done to put it before the house. From the beginning I indicated that if there was opposition it would not be proceeded with and because there was opposition we did not proceed with it. There is no item in the estimates this year for educational television.

As I said outside the house because there was no opportunity to say it in the house since I could not revert to the item in the estimates, the educational television matter will be the basis of legislation. It will be introduced as a package with the other amendments to the broadcasting legislation and will go before the committee. It is expected that through that particular method or through the method of referring to the committee what is reserved of the white paper, the educational television matter will be before the committee and witnesses will be heard before the legislation is brought back to the house.

Mr. Prittie: I thank the minister for her replies to my questions. The general broadcasting legislation will be presented to us but not proceeded with until the fall. I trust that when the minister said the committee would hold its hearings on educational television during the summer she meant the month of June and not July or August. There are some procedural problems being raised by the hon. member for Winnipeg North Centre, but I will ignore him for the moment.

Miss LaMarsh: The difficulty may very well be that the subject matter will have to be referred to the committee.

Mr. Prittie: As long as the hon. member for Winnipeg North Centre is satisfied on that point, we can proceed.

Mr. Knowles: Very satisfied.

[Miss LaMarsh.]

• (4:00 p.m.)

Mr. Prittie: The Department of the Secretary of State must be one of the most all-embracing departments in the government. I notice that the various agencies and branches for which the minister reports are quite numerous. There is the citizenship branch, the Bureau of Translations, the National Museum of Canada, the centennial commission, the office of the representation commissioners, the National Arts Centre, the Canada Council, the C.B.C., the B.B.G., the National Film Board, Public Archives, National Library and National Gallery and the Chief Electoral Officer. I suppose the new Canadian Film Development Corporation should be included. I probably missed a number of the others. I see the Queen's Printer is here, so that is another one. The federal government is unfortunately having very little to do with higher education in the future, and I wish it was more concerned with it. However, with so many agencies and branches one has to make a selection and I will comment on just a few points.

The minister started off by referring to the centennial commission. I think that the centennial commission should receive the congratulations of all members of parliament. It appears to me from what I have seen, read and heard that the commission has done its work very well and that the centennial celebrations are going ahead in a very satisfactory manner.

I think that a special word of commendation should go to the commissioner, Mr. Fisher. I recall hearing Mr. Fisher on the radio a number of years ago, and I must say that it struck me at that time that he was a bit over-enthusiastic in his manner of speaking about Canada. At times I thought it was "a bit thick", but I realized that this man has a genuine enthusiasm and love for the country which he does convey, and I think that a man with those feelings and undoubted ability was necessary to get the centennial celebrations off to a successful start. So he does deserve our congratulations.

The minister referred to the centennial train and centennial caravans. I suppose that every member of the house has received complaints from different parts of the country that the centennial train and caravans did not stop in a particular area for a long time. This is true. I know that there is a schedule to meet for the spring, summer and fall months, but when you consider the number of school children alone in the more populous areas of

the country it is just impossible for everybody to see the train or the caravans.

The minister said that the question of their future use is under study. I suggest that at least the caravans should be offered to the provincial museums in each province. A great deal of work has been done to put these caravans together and I think it would be a great pity if they were disbanded following the centennial celebrations. If they were attached to the provincial museum in each province as a permanent historical exhibit they could then be made available by the province on a schedule to travel around to other parts in the years ahead. They could be changed from time to time but, as I say, the basic work has been done and I think they should be preserved.

I was very interested in the remarks made by the hon. member for Royal about the Canadian Broadcasting Corporation. I do not intend to say very much about broadcasting today. I know that the hon. member for Royal was saying what he believes, but it has always struck me that if you praise some agency, especially the C.B.C, no one in the press gallery pays any attention to you. They much prefer to put in the paper such headlines as "M.P. Criticizes C.B.C." or "M.P. Slashes At The C.B.C.", so that the compliments of the hon. member for Royal will probably not be very widely reported. Nevertheless he spoke as he felt, and I think that this sort of thing should be done from time to time.

The minister said that the appointments to head the corporation will be made shortly. I realize the difficulties because I imagine that the new legislation will provide for different appointments from the kind we have at the present time. The broadcasting committee did make a recommendation that there should be a chairman of the board of governors or board of directors, and then a chief executive officer quite apart from that. I do not know how they are going to handle this problem.

However, Mr. Chairman, it is a good thing that the appointments will be made, because it is probably not a very good situation for the corporation to be surrounded by the air of uncertainty which has prevailed for some time. I believe it is now one and a half years since Mr. Ouimet announced that he would be retiring as president of the corporation.

Miss LaMarsh: No—last October.

Mr. Prittie: I beg your pardon; it was about eight months ago. As I said, it is necessary for the corporation to have more certainty about its operations and, to be fair to Mr. Ouimet, this is also rather important for him too. He has very loyally remained with the corporation during this period knowing that he would be replaced. He is not an old man. He has his future to think about. With all his experience in broadcasting and engineering I am sure he will be in demand, and he wants to make his own arrangements for the future. Therefore it would be better both for the present president and for the corporation that whatever changes are going to be made should be made in the near future.

Mr. Ouimet has been a much maligned man. I have criticized him myself, and I was one of the critics of the corporation officials at the time of the "Seven Days" controversy. Nevertheless, that does not detract from the outstanding service he has given to the corporation over the years. I have often felt that his position might have been stronger if periodically he had taken a page out of the book of Mr. Donald Gordon and told members of parliament where to go once in a while when these criticisms were put forward.

Miss LaMarsh: Instead of just telling the government.

Mr. Prittie: The minister makes an interjection but I will pass over it at this moment.

Mr. Knowles: Why not criticize both?

Mr. Prittie: I think that periodically the head of any public corporation has to say to the legislators that they have their job to do and that he has his and should be left alone to do his job while he is head of the corporation.

The hon. member for Royal mentioned satellites and said that he hoped the minister would make some statement about this subject. I, too, hope that we will have a statement on this subject soon. I would simply underline the remarks he made to the effect that any satellite operation in Canada should be under public control, especially under federal control.

The question of educational television has been mentioned. The broadcasting committee has been expecting to have this subject referred to it for some little time now. It is a very important subject and I hope that the advisers to the minister have not firmed up their ideas too much on this question. The broadcasting committee will be holding public hearings and inviting the representatives of all departments of education in the provinces

to appear, as well as such other interested bodies as the Canadian Association of Universities and Colleges, the Canadian Association for Adult Education, the C.B.C., the Canadian Association of Broadcasters, and so on. I think it would be very wrong to draft any legislation until these public hearings have been completed and these people who have a very direct interest in educational television have had a chance to be heard.

Apparently these hearings may commence next month and continue in September. The subject is a very important one. However, there has never been any doubt in my mind that the transmission facilities have to be under federal ownership. The question of actual in-school broadcasting can be left to the provincial departments of education. When we get into the area known generally as adult education this is a different matter, and I do not know that this is an aspect which should be left to the provinces.

I hope that before the debate on the estimates of the minister is concluded she will say something about the new Canadian Film Development Corporation. It is some months now since we passed the legislation establishing this new corporation, and perhaps she will give us some report as to the progress which has been made in staffing it. We would also like to know what is happening about setting up a private film industry which it is hoped will be stimulated by this corporation. There is also the very important question of the relationship in the future between the National Film Board and the Canadian Film Development Corporation. I am not going to say anything more about this, but I hope that the minister will say something in this connection later.

At the beginning of my remarks I listed the various agencies for which the minister reports. Some of them perform very different functions so there cannot be any continuity in the remarks I wish to make about them. I want to say something at this point about the citizenship branch, which is one of the minister's responsibilities. A subject which has troubled me and has troubled other members of parliament has to do with the practice in Canada of refusing applications for citizenship and not giving the person who has been refused reasons for that refusal. That might be justified on the first application but it ought not to be permitted to continue forever and ever. Some people seem to be refused forever and ever. Let me cite some examples.

[Mr. Prittie.]

• (4:10 p.m.)

One lady I know of, who is in her sixties and who came from the Ukraine, has lived in Canada for 40 years. She has applied for citizenship three times and each time has been refused. When a person has lived in this country for 40 years, has not left the country and is not likely to leave the country, he or she ought to be granted Canadian citizenship. The logical thing to do with undesirables is to deport them, but surely after 40 years of residence in Canada citizenship ought not to be denied.

Seldom does one know the reasons for the refusal, though sometimes in a confidential way one does learn. We suspect that applications are refused because applicants belong to the wrong Ukrainian organization or they have subscribed to the wrong ethnic newspaper. Often the excuse is as flimsy as that. Or the reason has something to do vaguely with communism. The applicants need not have been communist party members; it is enough if at some time in their lives they belonged to some organization which the authorities believe to be what is commonly called a front organization. This is not just.

I shall go farther. I am not at all sure that membership in the communist party in the past is sufficient reason for refusing citizenship to an applicant. I can think of neighbours and good friends in my constituency who were members of the Hitler youth organization. That was a long time ago. They explained that they belonged to the organization much as one joins the Boy Scouts. Those people fought in the German army. They are good citizens and I am not suggesting they are nazis, but they are Canadian citizens who have been granted Canadian citizenship notwithstanding their membership in the Hitler youth and the German army. I do not think that membership in any communist party in the past should be a reason for denying Canadian citizenship. Besides, the whole question is becoming more complicated every day, there being many different types of communist party. We have the Peking type, the Moscow type and independent parties such as in Yugoslavia. It must be difficult to draw distinctions.

Miss LaMarsh: What if a person is a member at present?

Mr. Prittie: I am not sure that membership in the communist party at the present time should be sufficient grounds for denying citizenship. If it were determined that the party was illegal in Canada and publicly declared to

be an illegal party, that would be a reason. I suggest that membership in any such party is not incompatible with a person being a good Canadian citizen. Many of the French and Italian political leaders are not considered traitors or disloyal and hold membership in the party. That, however, is not the point. The point is that some official evaluating the applicant refuses an application for citizenship often on the grounds that the applicant has belonged to some organization which was considered a front.

I wish to cite another example of a young lady aged 35 or 36 who lives in Ottawa with her husband who is a civil servant. She came from the Ukraine in 1935 when she was two or three years old and has lived in Canada ever since. Her husband is a Canadian citizen her children are Canadian citizens. She has never been a member of any political party. Yet she is denied her citizenship. It is true that her parents live in the Soviet union but that, I submit, is not sufficient grounds for denying citizenship to this woman who has lived in Canada since two or three years of age, who is married to a Canadian and whose children are Canadians.

Let me cite another example that is even more bizarre. In my constituency there is a young man who came to Canada from one of the commonwealth countries. He is a British subject. The Canada Elections Act says that one may vote in federal elections in Canada if one is a Canadian citizen or British subject. Similarly, one can stand as a candidate for parliament and be elected to parliament if one is a Canadian citizen or British subject. Strangely, though the young man in question could be elected to the House of Commons he has not been able to receive his Canadian citizenship. I do not know why he was refused. Once, I believe, he paraded in front of the United States consulate, but that ought not to be considered treason in this country.

The minister has said that changes will be introduced in the Canadian Citizenship Act. I hope some of the points I have mentioned will be remedied. One point occurring to me in this connection is that one who has been refused citizenship has no right of recourse to the courts. The decision of the officials is arbitrary. One might expect that situation to apply for the first one or two applications. But where a person has lived in Canada say for 20 years or more, has not been considered undesirable and has therefore not been deported, and is still refused citizenship, there ought to be recourse to the courts.

I pass to another subject, the question of elections. The Chief Electoral Officer reports through the minister and so does the office of the representation commissioners. I wish to refer briefly to the report of the committee on election expenses which was presented in October, 1966. The committee was made up of persons having widely different political backgrounds. They studied exhaustively the whole question of financing elections in Canada and produced two large volumes. I should like to put on the record the main recommendations of this committee. I hope that before long this report will be referred to an appropriate committee and that some legislation will be forthcoming before the next federal election, whenever that may be. There is talk of another election in 1968. At the speed we move around here, unless action is taken soon on this report we shall not see any results until after the next federal election.

The recommendations of the committee found on page 37 of the first volume are as follows:

I. Political parties should be legally recognized and, through the doctrine of agency, made legally responsible for their actions in raising and spending funds.

II. A degree of financial equality should be established among candidates and among political parties, by the extension of certain services and subsidies to all who qualify.

III. An effort should be made to increase public participation in politics, by broadening the base of political contributions through tax concessions to donors.

IV. Costs of election campaigns should be reduced, by shortening the campaign period, by placing limitations on expenditures on mass media by candidates and parties, and by prohibiting the payment of poll workers on election day.

V. Public confidence in political financing should be strengthened, by requiring candidates and parties to disclose their incomes and expenditures.

VI. A registry under the supervision of a registrar should be established to audit and publish the financial reports required, and to enforce the provisions of the proposed "Elections and Political Finances Act".

• (4:20 p.m.)

VII. Miscellaneous amendments to broadcasting legislation should be enacted to improve the political communications field.

I do not say I would accept all these recommendations without a great deal of scrutiny. The point is that the process of study should begin now in time for legislation to be prepared and for the committee to present its report. If we fail to start this process soon it will not be completed before the next federal general election. I trust that this is not the intention.

My final topic in connection with the estimates of this wide-ranging department has to do with the bureau of translation, the government language schools and the need to supply interpreters for the House of Commons and for the government services. I have noticed in the classified sections of various newspapers advertisements for language instructors for the government's expanded bilingual training program. These have been frequent in the last few months. There is a constant need for people who can do simultaneous interpretation as well as for people who can do the work of translation which is a tremendous job in this country.

I wonder whether the government has at any time considered selecting one or two of the universities and giving them financial aid in building up a school where translators, interpreters and language teachers could be trained. If the bilingual policy is to be carried on in the future, as I imagine it will, there will be a constant demand for such persons. Additional teachers will also be required to carry out the expanding programs of language instruction in our high schools and universities. I do not think we have built up in any one of our universities a department which can cope with these requirements, so the government might well consider backing one or two universities financially with a view to establishing a training program of the type I have suggested. Perhaps the government could even finance certain people who undertook to follow courses of this type on the understanding that they would remain in the government service for a certain number of years after their graduation.

With these remarks I will complete my observations, in the knowledge that not all of the various agencies of this department have yet been referred to.

[*Translation*]

Mr. Laprise: Mr. Chairman, I should like to take this opportunity, when the estimates of the Secretary of State are under scrutiny to remind once again the minister of the needs in my riding with regard, first of all, to television.

The Secretary of State (Miss LaMarsh) surely remembers that on several occasions in the five years since I have been a member of this house, I have asked the government to take appropriate steps so that the C.B.C. may provide French and English television programs to the various sections of my riding, the most important ones at least, which are still without it.

Mr. Chairman, I am not the only one in this house to face these problems. I know that my colleagues for Saguenay (Mr. Blouin) and for Lac-Saint-Jean (Mr. Simard) have the same problems in their areas. There are also the hon. members for Churchill (Mr. Simpson), for Meadow Lake (Mr. Cadieu) and so many others.

Therefore, this afternoon, I want to renew my request and ask once again the Secretary of State that sufficient funds be made available to the C.B.C. so that its services may be extended to all those areas which surely do not deserve to be penalized by the government because even though if they are remote, they render services to the country by providing it with the raw materials it needs.

Average salaries are high in the Chibougamau-Chapais area, a mining district in part, and the people pay a lot of taxes. If they want to take advantage of the services made available to the Canadian people by the C.B.C., such as, for instance, the news and the educational programs, although some of them are not very educational, I must admit, they must pay $200 for a cable which is provided by private enterpise, and $8 a month thereafter, as a subscription, which amounts to $100 per year the provincial tax on communications included. However, I point out to you, Mr. Chairman, that in the Chibougamau-Chapais area, we cannot even get continuous programs because one time we get one channel and another time another, so that it is impossible to follow some serials for instance, which is quite annoying for the people who pay the shot.

In my opinion the government should, as soon as possible, make adequate funds available to C.B.C. so that it may serve those areas.

• (4:30 p.m.)

Indeed, when I happen to discuss the matter with C.B.C. representatives, I am told time and time again that there is no physical problem, but rather a financial one since there is a shortage of money to pay the cost of those services.

Mr. Chairman, there are a few facts I should like to point out to the house, but I see the hon. Secretary of State is absent. Still, as her parliamentary secretary (Mr. Béchard) is with us, I shall acquaint the house with what we have done to urge the C.B.C. or the government to extend those services to our regions.

Back home, there is more than just the Chibougamau-Chapais area; there is also the

bush country of Parent-Clova whose people certainly deserve radio and television services as much as other citizens elsewhere in Canada.

Last spring, I had the privilege of heading a delegation from the Parent region which first met the Associate Minister of National Defence (Mr. Cadieux) to obtain certain explanations on the ADCOM line, that is the line of national defence, which goes through Parent, and then met the officials of the C.B.C. to find out what could be done with regard to radio and television services in the Parent-Clova area.

Mr. Chairman, during that meeting I learned that the Canadian Broadcasting Corporation intended to apply to the B.B.G. for a license to operate a frontier television station at Chapais. That made me happy, because although that was not exactly what the people of Chibougamau-Chapais and Parent-Clova had wanted, nevertheless, it was something better than what they now have, because at least they would have nothing to pay.

It was understood that a frontier station would not be entirely satisfactory, because broadcasts would come late. As far as movies are concerned, it is not terribly important, because generally the films shown on television are of a certain vintage, and whether they are presented a week or two late does not matter much. But the fly in the ointment is the news bulletins and news programs presented on television. Then, it becomes a little embarrassing to hear news bulletins that are late.

Mr. Chairman, the population of Chapais had greeted that news with some joy, but I had other information later on; in fact, right this afternoon, an officer of the corporation said to me that it would be the Canadian Broadcasting Corporation that would make the application and would set up a frontier station at Chapais.

On the other hand, a recent letter from the municipal corporation of the town of Chapais brings to my attention a very different situation and, to let the house know about a point on which there is no agreement in the C.B.C., I shall read that letter into the record, because there is something wrong here and I want this situation brought to light as soon as possible.

So here is the text of this letter dated May 9 and I quote:

Dear Mr. Laprise:

I have yours of April 12 last which was communicated to the members of the town council at the regular meeting of the 6th instant.

All have expressed their sincere thanks to you for the great interest you have taken in the problem of television at home.

We would draw to your attention that the license which the Canadian Broadcasting Corporation proposes to request from the Board of Broadcast Governors for the operation of the frontier television station is due to the efforts of the management of Opemiska Copper Mines (Quebec) Limited who are footing the bill so that a local television service may be provided free to the residents of Chapais by means of films and tapes supplied by the C.B.C.

Although this will substantially contribute to the well-being of our community, the programs will not be carried live, but rebroadcast with one or two days delay. The Crown corporation could thus improve the system by giving and paying for live broadcast service to the area so as not to let a private company take over and supply a service which it is not obligated to give and which is not part of its normal operations, although the entire population of Chapais deeply appreciates the efforts of this company, undoubtedly indicative of the highly developed social awareness of the management.

Everyone hopes you will shortly have the pleasure of advising us that the C.B.C. is fulfilling all its obligations to our area by giving a live service and paying for it as it does elsewhere in Canada.

This, Mr. Chairman, reveals a situation quite different from the one that was suggested by the employees of the C.B.C. The latter tell me that the C.B.C. will be establishing a frontier station at Chapais while this letter from the town of Chapais advises me that the management of the Opemiska Copper Mines Quebec Limited will foot the bill instead of the C.B.C. and thus enter into an area which is of no concern whatever to them since they are engaged in a mining operation.

Now, to satisfy its employees, this company is forced to spend money to provide them with a frontier station. Consequently, I should like the Secretary of State to give us some information on this matter, and tell us who is going to provide television services in this municipality.

Mr. Chairman, I would point out to the house that a frontier station at least according to my information, although I am not a technician, cannot serve a region which is more than 10 miles in circumference. Now, since there are about 28 miles between Chapais and Chibougamau, if you set up a frontier station in the city of Chapais, it is obvious that the city of Chibougamau will be out of range.

So, here I am asking for more than a frontier station; I am asking for a direct service supplied by the C.B.C. to the whole population of these two cities, which exceeds 15,000 inhabitants. Those workers and miners

are entitled to such services as much as any other Canadians.

I am coming now to the Parent-Clova forest region, where the population is entitled to the same services from the C.B.C.

While we propose or try to help the C.B.C. to find a solution to this problem of a signal channel for this region at moderate cost, we are told that to serve isolated regions such as this, the cost would be exorbitant, prohibitive, and we are quoted prices as high as $150,000.

Yet, two weeks ago, in the Parent-Clova area, a contractor from Amos, Mr. Edouard Dufresne, began to set up what is called in technical terms a parabolic system, to pick up the television signals of another station, of another transmitter and to rebroadcast them.

In fact, Mr. Dufresne stated that it would not cost $10,000 to provide the Parent-Clova area with a television station, while the C.B.C. technicians contend that it would cost more than $100,000 for the provision of the same service.

The Corporation's technicians may be contemplating a better service, for whenever they are told about what Mr. Dufresne has done for the cities of Malartic and Matagami and what he intends to do at present for the town of Parent and the area, they say they are not going to waste their time on makeshift installations.

Mr. Chairman, I believe the C.B.C. officials are remiss in their duties. They may have some knowledge, but they sit on it and they hinder the development of television in our areas. Therefore, that is what is inadmissible. What private enterprise can do at little cost, the C.B.C. and its officials—here I do not blame only the C.B.C. because it is the same thing with all the crown corporations—need thousands of dollars more to achieve the same result.

• (4:40 p.m.)

Mr. Chairman, even with a makeshift organization, perhaps, Edouard Dufresne succeeded in giving a perfect picture in Matagami, Malartic and everywhere, even in the city of Alma. Wherever his system has been installed, subscribers get a perfect signal and they are satisfied. I think that the C.B.C. technicians would benefit from visiting Edouard Dufresne's facilities and taking that private business as a model in order to give service at so little cost.

[Mr. Laprise.]

I think that if the C.B.C. wanted to, it could give in the areas I have mentioned here, Parent-Clova or Chibougamau-Chapais, as well as in every area which is still without service in Canada, the services given everywhere else by private or public enterprise.

If private enterprise, such as Radio-Nord for instance, cannot serve Chibougamau-Chapais or the Parent-Clova area, it is simply because it would not be economical to do so. Then, it is up to the government to extend its services to those less populated areas, which comprise communities important enough to justify such expenditures. I would ask the Secretary of State not to make excuses any longer for the officials of the C.B.C., but to provide them with the funds they need to extend their facilities to all those people.

Those are the comments I wanted to make —at least the most important ones—during the discussion of the Secretary of State's estimates.

Before concluding, I should like to make a remark concerning television in the House of Commons. An increasing number of people in our ridings tell us that the debates of the House of Commons should be telecast so that the Canadian people may be really informed of what is happening here.

However—and this is my own personal opinion—if it is decided to telecast the House of Commons debates, all debates would, I think, have to be telecast, and not only the question period. I suppose a channel could be reserved for these broadcasts for those who wish to see what is taking place in the House of Commons at any given time. Those who are not interested could continue to watch other programs.

Of course, that would be very costly and perhaps not very effective. In my opinion, to acquaint the people with what is going on in the house, it would be cheaper to distribute free of charge, on request, a copy of the official report. They would then have a document—and we know that written documents remain. Thus, those who are interested in the nation's business, in the debates, in what his member says or does in the house, would merely have to apply for a copy of the official report of the *House of Commons Debates* and it would be sent to them free of charge. That would be much cheaper and would give, I think, better results. Televising the debates would interest the people for some time only.

To my mind, interest in such broadcasts would soon peter out.

I wanted to state my views on the subject before this idea makes headway, because I realize that across the country, particularly in the province of Quebec, steps are being taken and a publicity campaign being launched to bring the public to demand that the debates of the house be televised.

[*English*]

Mr. Johnston: Mr. Chairman, I also felt that the review of the department we received this afternoon, while covering some most interesting activities of the many that come within the responsibility of this department, omitted any mention of some of those in which we are most interested and which are of great consequence to the development of Canada today. I was particularly pleased to hear the minister mention the dominion drama festival which has, as also have many other causes, been the recipient of centennial grants from the federal government this year.

It gives me a great deal of pleasure to be able to point out to the house that the city of Vernon, which I happen to represent, has through its little theatre, represented western Canada twice in the last three years at the dominion drama festival. It had that honour again this year and the cast and crew were able to make the very extended trip from Vernon to Newfoundland to participate in this year's festival.

Let me suggest that centennial grants should not just be a once in a lifetime occurrence but that the Department of the Secretary of State should consider very carefully the continuing need in this area for future support, mainly in order to overcome the difficulties faced as a result of the geography of this great country of ours. As federal support is forthcoming, and I hope it will be, I hope that the people who set up the regulations for the festival will seriously consider whether the time has not come when the entire part of Canada from Ontario west should be represented by more than one entry. It does not embarrass me at all to say that Vernon's little theatre has been chosen twice in the last three years, as the best entry from all of that territory, but to have but one western entry does seem to be a little out of proportion to the importance of western Canada in the life of this country and to the population that western Canada now boasts. I suggest that a look be taken at the census figures for all of that area, as well as a look at the encouragement that has been given to drama there, particularly in the province of Alberta with its auditoriums in Calgary and Edmonton, and also in Vancouver with its civic auditorium.

The situation could be changed to broaden the representation from western Canada to at least two plays from that area. At the same time the regulations which are laid down for grants to the dominion drama festival concerning the division between cast and crew should be examined. Anyone who watched the C.B.C.'s telecast, which I think was a rather sad bit of television, would realize the importance of crews, sets and lighting to today's drama. To pretend any longer that five players can travel from one end of the country to the other, accompanied only by a director and an author and somehow present a play that would be considered at all seriously by the adjudicator and audience is a bit of wishful thinking and a relic of the past. I would hope we could have larger federal grants and a somewhat relaxed set of rules for future dominion drama festivals.

Let me join in praise of the centennial commission and the very important work that has been done by that body. We can be genuinely overjoyed at the result of so many of the efforts that have gone into the realization in Canada of this centennial year. I am a bit surprised though about some of the public relations efforts that have reached us by courtesy of the centennial commission.

Let me draw attention to the flip-lidded wastebasket that was provided by the centennial commission community improvement program to at least all members of parliament and I suppose many others in other parts of the country. I am sure that never in the history of publishing has so attractive a container contained so little. Although it may be designed to collect future emissions from this body, if we are to take any warning from what is already inside the prospects for the future are not that much brighter. I know the minister likes to think of herself as being part of the swinging set, but it takes more than the repetition of the word "action" on the outside to convince me that there is much action on the inside.

Let me suggest that in respect of any governmental printing through the Queen's Printer, the archives or any other branch, a serious examination should be made of the policy of dividing pages between the French and English languages. I am all in favour of according equal rights in respect of the

French language in any publication—do not get me wrong in that regard—but I think it is far better practice to design a booklet so that the English is printed separately on one side and the French on the other side. Although it is possible to take both our great national languages and put them together on a page one does not end up with a masterpiece; one ends up with a puzzle.

I am sure most people have not bothered to read "Action" very thoroughly, partly because of the added task of glancing around the page to decide which half is the one you are supposed to read. There is not much difference between "the A plan" and "le plan A" and it can be a little confusing. There is not much there to read anyway. I thought at one time they might be of some use in schools in French or English language classes, but I am afraid they would not even serve that purpose too well because it is too easy for the student to seek aid from the other half of the column before tackling the problem of translation of the half on which he is working.

• (4:50 p.m.)

I would not have minded so much all this flood of material—this is not the only example of material that seems of precious little use which has come to us from the centennial commission—if I had not had a request from a constituent that I thought was perfectly reasonable. This constituent was preparing a history of a church in his community and asked whether he could obtain through the centennial commission offices and auspices anywhere copies of the coat of arms of a size that could be inserted in the publication he was preparing. I referred this request to the Department of the Secretary of State, and after following it through all the byways, alleys and the labyrinth of that department was finally able to get it shunted into the proper slot for consideration, only to learn just this afternoon that nothing of this nature is available either through the Queen's Printer, the archives or any other branch of the federal government. The reason this constituent was so emboldened as to make this request was that some years ago he had made a similar one in respect of the provincial coat of arms. He made it to the British Columbia government on behalf of the Okanagan Historical Society and he says that the result was excellent. We from the west become rather used to British Columbia leading the way, and I would suggest that here is one more area in which that province may have set an example that could well be followed by the federal government.

Mr. Herridge: Isn't that a bit of an exaggeration?

Mr. Johnston: Not at all. I am sure the hon. member for Kootenay West knows many areas in which the provincial government has been a leader in Canada. I am sure the coat of arms of Canada is of particular interest to him and that he would be particularly concerned about it. I am sure also that the Leader of the Opposition, who is not in the house this afternoon, would also find this lack in our centennial year a rather amazing one. I hope it is a lack that can be rectified. It is not too late to do so because our centennial year has not yet run its course by any means. I think this is one matter that could be corrected before the year is out.

I know it has been rather out of fashion in late years to include a coat of arms in publications whether they be school textbooks or others. They used to be included in these publications at one time. I can assure hon. members that the coat of arms of Canada, with all its colour, heraldry and intricacy, is a very much "in" thing at the present time and would be studied with considerable interest today, I think, by readers of almost any publication. It is something that should be brought a little closer to the hearts and minds of Canadians.

Miss LaMarsh: Mr. Chairman, perhaps I might tell my hon. friend that while I regret that we do not have copies of the provincial and federal coats of arms to pass out—and I have received a number of requests already this year for them—we now have found a commercial printer who will supply them relatively inexpensively. We are able to give this information to individuals who make requests. Furthermore, the Queen's Printer has had under preparation for the last year a very colourful booklet of the coats of arms and the flowers of the various provinces. It was anticipated that this booklet would be ready by the beginning of this year but publication has been delayed because of the pressures on the Queen's Printer for other centennial publications. However, it should be available fairly shortly. It is in full colour. While it is not loose-leaf in style, I am sure it is a publication that my hon. friend would be happy to send out.

Mr. Johnston: Mr. Chairman, I take some heart from the words of the minister. I find it

rather strange though that at a time when the Queen's Printer has come under fire from commercial printing firms in Canada for many of its activities in that it enters too broadly into areas that perhaps should be reserved for commercial printers, the Queen's Printer could not in regard to the Canadian coat of arms have done something on its own rather than turning it over to the commercial printers. I find that passing strange. It would seem to be one area which even the most ardent free enterpriser like myself would agree should come under government purview. I find it strange that it is going into the hands of commercial printers. I hope that what the minister has said will be passed on by the department because it was not the word that I received from the department this afternoon, nor the word that came to my constituent, namely, that it is available from a commercial printer.

This is an historical project that my constituent has under way and it would be a non-profit printing. Therefore I really do not find this reassurance satisfactory in our centennial year. I feel there is still a gap in this respect and one that can very well be filled by the Department of the Secretary of State.

I do not want to take up too much more time this afternoon, Mr. Chairman. The National Museum, which comes under the jurisdiction of this department, has just received an additional $1¼ million in the estimates but seems no closer to construction. I do not know whether it is intended to add to the present National Museum and whether this additional money will be used in that way. However, I am sure that such action will further complicate the matter. This money may of course be used to reinforce and prop up the old museum until the new one is finally under way. Perhaps the minister could enlighten us a little further as to the uses of this money and the date when we may expect the new National Museum to get under way.

We have heard quite a bit about the Canadian Broadcasting Corporation this afternoon from other hon. members of the house. We have heard from the hon. member for Royal and the hon. member for Burnaby-Richmond who had a great deal to do with the broadcasting committee and, as members of the steering committee, with the drawing up of the report that dealt with the white paper. I do not know whether the minister had anything to do directly with the authorship of the white paper, but I should like to assure her that it was never at any time in any danger of criticism from a majority of the parliamentary committee or its steering committee. Certainly no scribe illuminating a page of the Old Testament in mediaeval days ever treated his life's work with a higher regard or more tender care than that with which the white paper was treated by the parliamentary committee. No Muslim journeying to Mecca and reading his Koran ever treated that piece of scripture with more regard and granted it more privileged sanctity than the committee did the white paper.

One could go on in this vein, Mr. Chairman. It seemed impossible to criticize anything that was put in the white paper. I am sure that anyone reading the report of the committee has been struck by the degree of complete agreement the committee managed to find for the white paper. This is surprising at a time when we need broadcasting legislation very badly, when the corporation needs a new head and new direction, and perhaps most of all needs protection from its friends. I had hoped the report might have made some suggestion that the facilities of the C.B.C. not be turned over lightly to forces that would divide this country. I had hoped they would not be turned over to the von Thaddens and the Lincoln Rockwells of this world to serve as a platform for them.

• (5:00 p.m.)

If the hon. member for Royal had quoted further from the book by Sir Hugh Greene to which he referred he would have found there warnings against lightly granting the power of public broadcasting to causes and people who are unworthy of them. When we are faced with a bill for public broadcasting of over $140 million I think we should have special regard for the uses to which the money is put and for the people who are allowed to benefit from the platform the corporation can provide. I know that even the hon. member for York South had second thoughts about the desirability of providing the facilities of the C.B.C. to Herr von Thadden. He did not have any doubts before the program took place but he had afterwards. I wish he had had sufficient foresight of what would happen on that occasion to have had his doubts before so that facilities would not have been provided to that person as they were, in the guise of somehow furthering democracy by providing facilities to the enemies of democracy.

It was indeed amazing to hear the hon. member for Royal this afternoon quoting from a document that I am sure he must have

picked up in haste because it was about broadcasting in the land south of us. He did find that private broadcasting had not been the disaster that he seemed to think it was a few months ago when we were having discussions in the committee and were drafting the report.

Finally I should like to say a word about a problem I have mentioned before in this session and which was mentioned again this afternoon, namely, the prospects of televising the proceedings in this chamber. It seems somehow that members of this house, members of the press and perhaps some members of the public, certainly the people who work in television, have taken heart from the televised proceedings of the security council meeting the other day when, at a time of great international tension and crisis, we were able to watch that body through television. One hon. member, whom I shall not name, in watching the program said "There is democracy for you". Yet I could not see that it had anything to do with democracy. Certainly very few of the nations represented there know a democracy of the kind with which we are familiar in this country, nor have those representatives been elected to the positions they hold. They were appointed to their tasks.

Neither did we really learn much about the democratic process at the United Nations except how closely that program resembled a sporting event as the television personalities did their best to fill in the dull patches by telling us over and over again that we had come to a singularly dramatic moment in the history of the United Nations and of the world. The camera would then flash back and we would see the same huddle. Certainly no televised football game would ever permit any of its players to huddle so long and to so little effect. I am sure that as the public watched the program they too must have had the impression that this was a game being played and commented upon. This is one of the great dangers of televising something that is like a game but is really a matter of life and death.

Another point which is extremely important and which I think should have been noted by every member of the house, every member of the press gallery, every member of the television crews and of the public who watched the program was how absolutely destructive to the decision-making progress the televising of the security council meeting was. If we had hoped at any time that that group of men would come to a decision which would further the development of peace in the world, our hopes were frustrated the moment the meeting was televised, because how could any one of them have changed his position with the eyes of a good part of the world watching him and many of those eyes ready to brand him as a traitor to his side the moment he made any change?

[Mr. Johnston.]

Mr. Allmand: May I ask the hon. member a question? Could he tell us whether he considers that the presence of the radio and the press at the security council meeting would have been any different from the presence of television cameras? What would have been the difference between the various media of communication?

Mr. Johnston: I am sorry the hon. member is so far behind in his knowledge of the media. I would recommend to him again Canada's prophet, Marshall McLuhan, and his book "Understanding Media" in which the author says over and over again that the media are basically different and that one cannot equate the linear script which we read with what happens through the medium of television, the electronic process. He says that this is an entirely different area and process with an entirely different impact on the viewer. What the press gives us takes at least a day or two to reach us and it takes a certain amount of understanding to follow it. Reading the press is not at all the same thing as watching a group of men, wordless men as they were in this case. I can imagine the overwhelming relief that would have been felt had there appeared a smile of joy on those faces, had they clasped hands and possibly wept and gone back to their places and announced that a peaceful settlement was forthcoming. But what chance was there for this to happen while the meeting was being televised? I would think that the televising of the debates of the United Nations is probably one of the reasons for its relative lack of success and lack of impact and for the fact that the corridors of the UN have become the venues where any sort of agreement that is ever hammered out in that organization is reached.

Mr. Allmand: May I ask the hon. member another question? What would he say about a radio commentator reporting the proceedings of the United Nations or of parliament? What is the difference between a radio commentator and television?

Mr. Johnston: I do not think radio comment would improve it much either, but I do not think the impact of a radio comment would be as great or as significant or even as damaging to the democratic process as television would be. We have not been sent here to become stars on television. We have been sent here to legislate, and in the case of the UN its members have been sent there to debate. Yet I am afraid the whole business of debating is seriously hampered, and I might even say perverted, when it is televised.

Mr. Knowles: Would the hon. member permit a question from this quarter? Perhaps it is a philosophical one. Is there any possibility that by having the eyes of the world on the United Nations security council or by having the eyes of Canada on this place more pressure might be put on them or on us to reach decisions than if we were not aware of people watching us?

Mr. Johnston: I would object to pressure in the decision-making process in most cases. I am afraid pressures are there and they are great at the best of times. I simply cannot agree that pressure of that kind hastens the process of decision-making. I feel it would tend inevitably and invariably to delay or to end altogether the decision-making process.

• (5:10 p.m.)

Mr. Stanbury: Will the hon. member permit another question?

The Chairman: Order, please. The time allotted to the hon. member has expired.

Mr. Johnston: I would be quite happy to receive a question from the hon. member for York-Scarborough.

Some hon. Members: Agreed.

Mr. Stanbury: Does the hon. member not agree—

The Chairman: Order, please. The time allotted to the hon. member has expired.

Mr. Knowles: Can we not agree to an extra minute or two?

Mr. Stanbury: I thought I heard agreement, Mr. Chairman.

The Chairman: I can extend the time if the hon. member wishes to ask for agreement to do so.

Mr. Johnston: Yes. I thought I had expressed my wish rather clearly before, but I ask now if I may have the few minutes necessary to receive the question from the hon. member and answer him.

The Chairman: Does the committee agree to extend the time?

Some hon. Members: Agreed.

Mr. Stanbury: I have two brief questions. The first one is, would the hon. member not agree that television increases the involvement of the viewer with the subject matter appearing on television?

Mr. Johnston: It probably does in a way, but again it is that kind of involvement we find in the jungle. It does not have any particular progression or logical development to it. It is, in my belief, contrary to the sort of development we have had throughout the long history of parliament where reasoned debate can be carried on at length by both sides. I have been challenged by the statement that television would allow the citizen to know what is happening in this chamber. I contend that the way this chamber would be televised, if it is ever televised, would not increase the knowledge of the average Canadian of the parliamentary process but would only confuse him.

[*Translation*]

Mr. Choquette: Mr. Chairman, I have a few very short remarks to make on the estimates of the Department of the Secretary of State.

Let me first of all pay a well-deserved homage to the Secretary of State (Miss LaMarsh) who, in fulfilling her role, particularly in this centennial year, must discharge very heavy obligations and ever-increasing demands, and I think the Secretary of State deserves, in this centennial year, a very special expression of gratitude and admiration for the magnificent work she is doing and for the very distinguished way in which she fulfills her role.

Some hon. Members: Hear, hear.

Mr. Choquette: Now, after these few encomiums, the time for criticism is at hand.

Mr. Chairman, the remarks I should like to make to the minister are very mild criticisms —I should say suggestions. First of all, I think that it would be of great interest if the Broadcasting Act, particularly the sections dealing with political programs could be amended in accordance with the views expressed by the Canadian Association of Broadcasters which made very specific recommendations to the committee on broadcasting through its then president, Mr. Jean Pouliot.

Needless to say, Mr. Chairman, that the Broadcasting Act prohibits any dramatization of political programs. But it frequently happens at election time that private stations give to that provision a very restrictive interpretation, which explains why the people, at least in a certain sector, are in the habit of tuning into another station when political speeches are heard on the air, and that precisely because the politicians have their hands tied by the formula set in the act, so much so that political programs generate little interest.

Mr. Chairman, I had the opportunity to call the attention of the house to an incident which took place last year, when the hon. member for Brome-Missisquoi (Mr. Grafftey) known to everyone for his originality, appeared on a television program called "Les Affaires de l'État", the French counterpart, I believe, of the program "The Nation's Business". The hon. member for Brome-Missisquoi had then used a very interesting formula which seemed, at first sight, inconsistent with the provisions of the law, because he actually resorted to dramatic effects during that program. In fact, the hon. member was shown in action, driving around in a convertible, coatless and in his shirt-sleeves, greeting his electors, attending a circus, making short speeches, dictating to his secretary. The program was really quite interesting, but if it had been brought before the court, it would have been considered as contrary to the law, because it was clearly a dramatization.

• (5:20 p.m.)

On the other hand, if the word dramatization must be scrupulously interpreted, then even the right hon. Leader of the Opposition (Mr. Diefenbaker) should be forbidden to appear on television because when he speaks he is quite dramatic. Still, Mr. Chairman, there should be a certain broadmindedness and understanding of the fact that much more latitude should be given politicians when they appear on television. That stipulation on dramatization should perhaps even be deleted and a more dynamic, more interesting formula substituted which speakers might follow during electoral campaigns with a view to reaching the population.

That is the first thing I should like to suggest to the hon. minister.

My second suggestion, Mr. Chairman, which is certainly a moot question and which may raise indeed, strong objections, is that private stations could be assisted—but I wonder to what extent—through grants or otherwise, and they would be obliged to put broadcasting time at the disposal of the different political parties, when the latter could air their views, not only at election time, but also outside election campaigns.

The problem that arises is that in several parts of the country, let us say in the province of Quebec, there are stations, such as channel 10 in Montreal and channel 4 in Quebec, both private stations, which are precisely television stations with a higher rating than that of the C.B.C., with the result that when the program "Les Affaires de l'État" is on the air, the majority of the population is not watching.

Now, I bring this problem to the minister's attention. Are the conditions similar outside Quebec? I do not know, but I am convinced that all the studies conducted so far show beyond any doubt that Channels 10 and 4 have a much larger audience than the C.B.C. and these other stations which, as private stations, do not allow politicians to broadcast their messages or to air their views outside of election campaigns.

There is another item, perhaps a little more controversial, Mr. Speaker. If, as the hon. member for Royal (Mr. Fairweather) mentioned a moment ago, quoting from the Fowler commission report, the C.B.C. is an essential tool for maintaining Canadian unity, I wonder—however controversial this may be —how much longer the minister will allow these conditions to persist within the French C.B.C. network?

All sorts of statements have been made, that information was slanted, that the C.B.C. was infiltrated with extremists—especially in the French network, and more precisely in Montreal. But when those charges are to be substantiated, the matter becomes much more difficult. I remember a very astute answer which the minister gave in the house, saying that people who work for the C.B.C. are entitled to their own political opinions. That was a very sensible answer.

On the other hand, if these political opinions of C.B.C. employees become a source of confusion, then is it not the duty of the government to interfere, or at least to investigate the matter? Because an article was published in *Dimanche Matin*, a widely circulated paper, saying that all C.B.C. news services, or better, that the information services in the C.B.C. generally, were controlled by separatists.

Here, you have a statement of opinion made by one man, which can be expressed. Now, should there be an inquiry?

Should an inquiry be made? The matter could be brushed aside but, only last Friday, the Minister of Manpower and Immigration (Mr. Marchand) himself said that the C.B.C. is full of separatists.

For my part, Mr. Chairman, and this is a personal opinion, I think that if one relates these statements to those of a serious newspaperman and those of a member of the government who observe the situation, then obviously there is no other solution for the government but to undertake a secret or public inquiry in order to ascertain whether the news services of the French speaking C.B.C. network really has an ideological bias. I say this in all sincerity; a public or secret inquiry must be undertaken, because we cannot allow the present situation to continue much longer.

Some hon. Members: Hear, hear.

Mr. Choquette: Mr. Chairman, my last remark consists not only what the Fowler commission calls the safeguard of Canadian unity but also a closer relationship between the main cultural groups in the country.

Here is what the Fowler commission says, as can be seen on page 37 of its report; this is a statement of great consequence:

> We believe the C.B.C. has failed, and is failing today, to discharge adequately its duties to foster understanding between the two main cultural groups in this country. With rare exceptions, it does not produce programs that would assist English-speaking Canadians to understand the attitudes and aspirations of French Canada. Equally the C.B.C. has failed to convey to French Canadians the doubts, uncertainties, ignorance, and good will of English Canadians concerning the "French Fact".

Mr. Chairman, that was said in 1965 since the report was submitted in that year. That statement deserves a serious and thorough consideration. Is there something more powerful than television? And what is most unfortunate, when the C.B.C. had what is known as a "captive audience", that is an audience that could listen to nothing else than the C.B.C., it did not avail itself of the most wonderful opportunity to get our English-speaking fellow citizens better acquainted with the French culture and avoid, today, all those useless disputes, as well as the appearance of those extremists who frighten us sometimes.

In French Canada, the younger generation may have ideas likely to cause concern. We sometimes wonder who can inspire these ideas fraught with seeds of revolution? Why has Canada no longer any meaning for them? I am speaking of a certain group, a certain number of the younger generation. Canada is an English-speaking country. That is right. Quebec is a French territory. So, Canada does not exist any longer. It is no longer needed. It is unfortunate that some young people should think along these lines, Mr. Chairman.

It is sufficient to go back to the last election campaign in Quebec to realize that this is true. What were the slogans of the two parties? The Liberal party's slogan was: A Stronger Quebec! L'Union nationale had the slogan: Quebec first! There is no longer any question of a Canadian ideal today, Mr. Chairman, and I say this for the benefit of my Conservative friends. I see that the member for Saint-Hyacinthe-Bagot (Mr. Ricard) is here.

Quebec first! Such was the slogan of the present Quebec premier, and when Mr. Johnson was elected, who rejoiced at his election? The member for Kamloops (Mr. Fulton). How can he rejoice at the victory of a man whose political philosophy is basically incompatible with the political philosophy of the Conservative party? It is the same Mr. Johnson who said—on this point, I cannot disagree with him because his ideas are somewhat the same as mine—when Mr. Lapointe was appointed lieutenant governor of the province of Quebec, he said: "I hope he will be the last one".

• (5:30 p.m.)

So, he is antimonarchist and the member for Kamloops rejoices at the election of an antimonarchist premier. How can anyone understand that, Mr. Chairman? Such is the series of contradictions to be found among the Conservatives.

On the one hand, the Leader of the Opposition (Mr. Diefenbaker) is against certain bills because, according to him, they are gnawing at the prerogatives of the crown. On the other hand, the member for Carleton (Mr. Bell) introduced a bill which is a visible indication that the man intends to bring down the prerogatives of the crown. There are all sorts of contradictions within the Conservative party.

To get back to my subject, Mr. Chairman, I should like to say that the Liberal party has always promoted Canadian unity, and the best way to bring about Canadian unity is not to thwart anyone or anyone's aspirations.

The only way to give French-speaking Canadians the feeling that Canada belongs to them as much as to other Canadians, and that they are at home in Vancouver is to allow French culture to flourish throughout the country. And what better way is there to bring French culture to all parts of the country than by means of television programs, Mr. Chairman?

And the younger generation is the hope of Canada. The English-speaking young people —I had the opportunity of meeting some of them in Ontario and elsewhere—are interested in the French fact to a really unusual degree. In fact, they show a very keen interest in the French fact. They learn a little French in school, but they do not have the opportunity to chat in this language and to use the knowledge they acquire in school.

They learn French rather as we learn Latin in our colleges, that is to say after five years, we are not even able to ask for a butter scotch sundae in Latin.

The same applies to our English-speaking fellow-countrymen, Mr. Chairman. They learn French, but not in a practical way, because they do not have the opportunity to speak.

Now, if the C.B.C. had some French programs throughout the country, young children coming back from school who have acquired some rudiments of French would hasten to open their television set to try to learn more.

This project would not be costly, Mr. Chairman. It would not be necessary to build a French system throughout the country but only to set up in large English-speaking areas of Canada what is commonly known as repeaters. That would not be costly; as a matter of fact, it would cost less to build some in the large centres across the country in order to bring programs to the vast majority of English-speaking audiences, than what the B & B commission will cost. In addition it would be much more efficient to promote bilingualism in Canada and to enable our English-speaking friends, when they hear French, to consider this language as something else than what we consider Latin.

When we hear priests speak Latin, it is like folklore to us. And yet, we learned Latin four or five years. We have not been taught to use it conversationally. It is the same thing for English-speaking students. They are taught French as a sort of folklore, as a language they do not need to remember. However, we still have to know that this exists and it is most unfortunate.

[Mr. Choquette.]

Mr. Chairman, the younger generation is objective and broad-minded and the old fanatisms are about to collapse. When the hon. member for Royal (Mr. Fairweather), who is a true Conservative, spoke earlier, I asked him this: Would you favour the installation of "repeaters" across the country? He replied that he would and I was happy to hear him say so. But had the same question been directed to the Leader of the Opposition, he would have answered in the negative. If the same question were asked to all the front-benchers of the Conservative party, they would answer: "No."

Mr. Chairman, this proves that the younger generation is progressing, that it is the hope of Canada. The best way we can make it possible for that younger generation, which represents more than 50 per cent of the Canadian population, to live better together, is to increase our knowledge of the two great cultures which make Canada a richer country of which we are so proud.

[*English*]

Mr. Macquarrie: Mr. Chairman, I join with those throwing bouquets at the Secretary of State. I am glad I could throw mine before she left the chamber.

I wish to commend the statements she made about the centennial commissioner. I am proud of what has been and is being done and I second the remarks of the hon. member who referred to the centennial commissioner, Mr. Fisher. I hope the newspaper reports of his being denigrated or of his role being diminished are false. His leadership in the field has been magnificent. He has never been afraid to let his Canadianism show. His verve, vigour and healthy nationalism have inspired the centennial commission and have made its achievements worth while. We are proud that in the commission we have a group of people, headed by Mr. Fisher, who have done so much at a crucial time in our history.

I was delighted to hear the minister say that she will consider what future use is to be made of the centennial train and caravans. After 1967 is over I hope we will still be enthusiastic about them. I hope that in future years we shall continue honouring our past. Most of what has taken place up to now is altogether commendable, though of some developments I am not entirely proud. I was not enthusiastic about the extravaganza, "Sound And Light", and was distressed by

the script. To say the least, history was cruelly treated. I hope to examine the script carefully, because being more accurately historically would have added to the program and detracted nothing from the dramatic effect.

The hon. member for Royal, the chief spokesman for our party on these estimates, has spoken well. Though I am not a Bennett Tory or an N.D.P. member, I agree with most of what he said and commend him for his splendid way of saying it. I have not found much satisfaction in taking potshots at the Canadian Broadcasting Corporation, though on occasions I confess that by its actions it makes it difficult for its friends to defend it.

What body ought to control programs other than the corporation? One can see that carrying to its logical conclusion constant questioning in parliament and governmental control, even under a minister so enlightened and charming as the present minister, could lead to an undesirable situation. We do not want governmental control of programming in the media. Such a step would be dangerous and retrograde.

But not much perception is required to see that there has been far too long a delay in making important appointments to the C.B.C. I have a high regard for the work of the broadcasting committee and for its chairman, the hon. member for York-Scarborough. I have not been able to play as active a part on that committee as my colleagues, the hon. members for Prince, Royal, Winnipeg South and others, but I have noted the splendid achievements resulting from the committee's deliberations. The committee's work demonstrates the value of the committee system in our House of Commons. I fervently hope that the government will read carefully, study, reflect and act upon the important recommendations of this important committee.

I was interested in the discussion launched by the hon. member for Okanagan-Revelstoke. I suppose we are all groping toward a better understanding of the media. Some of us find it difficult to understand Mr. McLuhan, let alone his understanding and interpretation of the media. I do not know that I subscribe to the thought that television ought to be blamed for any failure of the security council to arrive at a decision, as was suggested earlier. The causes for that failure lie beyond the influence of media and I suggest are more profound than any question about media. Possibly it was a mistake to expose to public view the presession get-together. Many years ago President Woodrow Wilson called for open covenants of peace openly arrived at. The history of diplomacy since then has shown that only the first part of his precept is pratical. What we saw in the program to which the hon. member alluded was a sort of behind the curtains session preliminary to the main talks. Perhaps that should not have been televised but the failure of that day cannot be ascribed to television.

I am delighted that finally the national library and archives building is to be opened soon. I have spoken about the archives every time the estimates of this department have been before the house. I have nothing but praise for Doctor Lamb, the archivist, Mr. Smith, the assistant archivist, and for the staff, all of whom are doing splendid work in that important educational centre. I am glad that more adequate facilities have been provided, and I hope it will be possible to augment the staff and for more publications on our earlier history to be turned out by the archives.

A few years ago in the library committee we discussed the question of getting into public hands the debates in Nova Scotia and New Brunswick relating to confederation. Before then the only records of debates that were available concerned old Canada. I am glad we are finally to see what the wise men of the east were saying in the 1860's about that important matter.

• (5:40 p.m.)

In this connection I hope that the minister, who is now our leading light on questions of protocol, will give thought to a situation which has bothered me for a long time. Whenever there is any sort of provincial gathering, priority of place is always given to Ontario and Quebec. I think this is wrong. Those two provinces were created in 1867. The province of Nova Scotia had an assembly away back in 1758 and is the senior province of Canada, followed by New Brunswick. So I hope that the minister, with her usual administrative dash, will see that the seating arrangements from now on at gatherings of provincial representatives are as they should be according to history. It may be that the country would benefit too if there were a couple of men from the east near centre stage.

The museum is a subject which I should like to talk about at considerable length but I never like to make long speeches, especially near the hour of six o'clock. I think there have been too many resignations. I am not at all happy about the departure of Dr. Glover

and I am less happy the more I read about the reasons he has given. Later during the detailed consideration of these estimates I shall perhaps have something more to say about this.

I have been interested in some of the publications issued by the Secretary of State's office, and in the speeches the hon. lady makes from time to time. I commend her for her presentations in various parts of the country. I hope she will come to Prince Edward Island with more largesse for certain centres down there. I think she has been doing a good job presiding over a host of centennial events. I would not have thought a few years ago, when the hon. lady first came here as a member of the House of Commons, that I would be saying with sincerity the kind things I am saying about her now. One might say to the lady that she has mellowed, if that were not a somewhat uncomplimentary suggestion. I should perhaps say that my perception has sharpened.

I was a little disturbed by some of the publications which have been issued over her signature. Here is one on the national flag of Canada. I am always concerned about the proper use of what is sometimes called the second flag. In general terms I commend the hon. lady and her department for producing these publications. I think we should attach more significance to these symbols of our nationhood. But I am disturbed about the place of the so-called second flag in our ceremonies. I read that it may appropriately be flown on the Queen's birthday.

I cannot understand the logic of this. I cannot see that the flying of this flag on the Queen's birthday would indicate any more regard for the birthday of the sovereign than flying the national flag of Canada would indicate. In fact, it suggests to me that the flag of the United Kingdom is somehow closer to the sovereign than is the flag of Canada, and this in my view is not a good position to adopt. I note also the suggestion that it should be flown on the anniversary of the Statute of Westminster. The Statute of Westminster marks, a great day for those who wish to recall the development of the autonomy of the dominions within the commonwealth—a development in connection with which Canada and particularly Sir Robert Borden played a most prominent part. So the flying of the flag of the mother country on that date also seems to me a bit incongruous. The flying of the Union Jack on the occasion of royal visits also strikes me as incongruous unless the idea is that the flags of all the Commonwealth countries should be flown as well.

What I am suggesting is that we should be more thoughtful about our constitutional structure. This country is a monarchy. We do not become any more of a monarchy by flying on certain occasions the flag of another autonomous member of the commonwealth to which we belong. In fact, the only time I can be logically satisfied with the flying of the Union Jack is when it is flown during a visit of the prime minister of the United Kingdom. But protocol experts say this is wrong because flags are flown only for a visit of the head of state. This, of course, puts us in a difficult situation because the flag of Canada is the flag of one of the realms over which the Queen is fully sovereign.

In other words, we are now in an awkward position just as we shall be in connection with an anthem. We are to have one anthem but also a royal anthem. But a monarchy cannot have any anthem except the royal anthem. I do not intend to deal exhaustively with this subject now. I hope that one day there will be an opportunity to discuss these things more thoroughly. I look upon many of the things we are talking about today as symbolic. The Secretary of State presides over many functions which are symbolic. A country without symbols is not highly developed, let alone highly civilized. I believe it would be wise for us in our centennial year to consider more carefully some of the underpinnings of our constitutional structure.

I have mentioned before that the whole question of monarchical systems is the kind of thing I am quite prepared to examine rationally. I am not emotional about the issue at all. I believe the monarchical system is suited to our type of political society. I think it is the best and that it has proven itself. I should like to see it more widely accepted and regarded as it should be regarded, as one of the unique aspects of our particular North American culture.

I often think we sometimes act as though ours were not an evolutionary tradition, as though we were not in some way as fully a monarchy as is the United Kingdom. I deplore this attitude because I think the greatest movements in our history are those which were led by people who were nationalists, who were zealous for Canadian independence but who believed that this could best be preserved not within the British ambit but in a monarchical system patterned after the British. This is why I believe we will meet

increasing difficulty in finding appropriate occasions for the proper and meaningful use of the royal union flag or the Union Jack.

• (5:50 p.m.)

I am sure many of my learned colleagues on this side of the house and on other sides of the house, if this house has more than two sides, will want to raise many issues with the Secretary of State. I envy her the opportunity she has to give inspiration to Canadians all over the country. I believe that people are right in suggesting that we are going to come out of our centennial year a better country, a wiser country. We are perhaps going to be a little less reluctant to become a bit excited about our own achievements. We have produced in this part of the world a pretty fine political entity. We have men and women in our past of whom we can be proud. We have always pooh-poohed nationalism; we have always been a bit hesitant to get excited about our own accomplishments. I think that the Fishers of this country, and the minister herself when she gets going—she has been showing us lately—will help diminish the self-effacing apologetic attitude which we as Canadians have had for far too long.

I do not think we will react the other way and become so over-confident as to assume our problems have vanished because Expo has been a success and because the centennial caravans and centennial train have been running smoothly. But I believe this is a fine exercise and, generally speaking, I think the minister has done a good job in giving leadership. She has a tremendous department. It is the omnibus department of government. It is a department over which not too much political fire is raised except in connection with the C.B.C. I do not see much pressure exerted to get new books for the library. It is not a gut issue of politics. But if the spirit of the country is all-important it is in this department that the opportunities are greatest.

I end as I began by wishing the minister well in very effort she makes to extend the educational and spiritual life of this country, and I use the word "spiritual" advisedly. She has great opportunities and I will not add to her difficulty by making further remarks at this time.

The Acting Chairman (Mr. Richard): The hon. member for York-Humber.

Mr. Cowan: Mr. Chairman, I thank you for recognizing me although I had not risen. I have a question or two which I wish to ask the Secretary of State at this time. In the estimates for her department there is a line on page 469 of the blue book which reads, "Statues and portraits of prime ministers, $270,000." The amount provided last year was $100,000. I would like to ask the minister what fate overtook the statues of Bennett and Meighen that were delivered to Ottawa some years ago. The only report the public got was that they were quite unacceptable to the government of the day, and so they disappeared. Were those statues ever paid for or are they being remodelled?

Mr. Fairweather: How do you remodel a statue?

Mr. Cowan: What happened to the sculptor who produced them? Was he compensated?

Inasmuch as citizenship now comes under the jurisdiction of the Secretary of State I wish to remind her that at one time Jack Kent Cooke was associated with Lord Thomson of Fleet in various Canadian enterprises. At that time the two of them were well known together in Canadian business circles. Jack Kent Cooke has now departed Canada voluntarily and has engineered American citizenship for himself almost overnight in the same way that we granted Canadian citizenship to *Time* and *Reader's Digest.*

But Lord Thomson of Fleet, who loves Canada like he loves no other land because he was born here and his children were born here, has lost his Canadian citizenship through taking citizenship in the United Kingdom and the colonies. Since Jack Kent Cooke was able to establish United States citizenship overnight, as stated in the American press, I would like to ask the minister whether it would be possible to restore Canadian citizenship to Lord Thomson of Fleet by a private member's bill and could it be done before July 1 the centennial of the confederation of Canada?

I think this is the least that the Canadian parliament and the Canadian public can do to show appreciation for Roy Thomson, now known as Lord Thomson of Fleet, a man who has distinguished himself throughout the world and brought credit to his homeland and his birthplace.

Miss LaMarsh: Mr. Chairman, if I might answer the last question first, I understand Mr. Cooke obtained United States citizenship through a private act of congress, which would be an expensive procedure, I should think, to say the very least, and is a relatively rare one.

To my knowledge Canadian citizenship has never been conferred by a private act of the two houses of parliament although the suggestion has been made, particularly by some members of the upper house, that this might happen in what appear to be hard cases where the minister did not have any discretion. I would not wish to encourage this. As hon. members know, I am not in a position to give legal advice to the committee, but as a general principle I think it is pretty well known that a specific act will override a general act, and if that were the will of the two chambers I suppose it could be done. I am not suggesting to my hon. friend that I am encouraging it but I think that as a matter of fact it could be done.

Mr. Knowles: It would be a long way down the list anyway.

Miss LaMarsh: I hardly imagine it could be done by July 1. With regard to the other question concerning the particular item that appears on page 469 of the blue book, "statues and portraits of prime ministers", hon. members will be aware that last year I asked a select committee of knowledgeable people to commission sculptors to begin to fill in the gaps, particularly of the more notable of Canada's prime ministers, and to provide representational statues which might be located on capital hill, in the Ottawa-Hull area, and on these premises.

Mr. Bell (Carleton): Parliament hill.

Miss LaMarsh: We hardly wish to have a forest of statues of prime ministers at the end of 200 years, and there being so much beautiful acreage in the public domain in the area it was thought some of these statues might be placed outside the immediate area of parliament.

Recommendations were made and accepted that four prime ministers of this century should be chosen, Meighen, Bennett, King and St. Laurent. The select committee chose four sculptors from various parts of Canada who it was felt would be in sympathy with the individual subjects, and they were asked to present maquettes for consideration. Some months went by and three maquettes were delivered and were approved as to artistic merit by the select committee.

The ministry in general did not view them and to my knowledge has never seen them, but when I viewed them I inquired whether any of the survivors of the three deceased prime ministers or any members of the families of any of them had viewed them, and I was told that in at least one case friends and relatives had seen it. I want to say nothing about the artistic merit but one of the statues particularly commended itself to me. One of the two others I rejected. The other one I did not like at all personally and it was rejected, but that is neither here nor there.

• (6:00 p.m.)

The important thing is that if you are going to put up a statue of a statesman it should give succeeding generations an idea of how the statesman looked and how he or she dressed, and the physical attitude should be as recognizable as a photograph. During the centuries there have been many representations of art which have met the test of time and I dare say much of what is produced today, either painting or sculpture, will also meet the test of time. These sculptures are not primarily intended as works of art but as representations to future generations of the statesmen of the past.

Accordingly, and as luck would have it, I rejected the statues of Messrs. Meighen and Bennett. The statues of Mr. King and Mr. St. Laurent may not be everybody's cup of tea but they are instantly recognizable. I am sure all members share my embarrassment in that out of the four the two acceptable on that basis happened to be of members of my own party, particularly since it was my hope that at least these four would be put up this year.

I might add that I was not aware there were any photographs of these maquettes, and I was told they were not easy to move. For that reason they were not even produced for cabinet inspection. I have only seen the photograph of the maquette of the St. Laurent statue. I have not seen the maquette itself.

The Acting Chairman (Mr. Richard): Order, please. It being six o'clock and in order that the house may proceed to the consideration of private members' business, I do now leave the chair.

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

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Sherbrooke (Mr. Allard), Labour Relations—Confederation of National Trade Unions; the hon. member for York South (Mr. Lewis), northern Ontario—possible classification as designated area.

PRIVATE BILLS

BELL TELEPHONE COMPANY OF CANADA

Mr. Russell C. Honey (Durham) moved the second reading of Bill No. C-104, respecting the Bell Telephone Company of Canada.

He said: Mr. Speaker, I will take only a few moments in introducing the motion for second reading of this bill which I hope will be referred to the standing committee on transport and communications.

The house will recall that Bill C-239, which was indentical in terms to Bill C-104, was given second reading in this house on February 16, 1967 and referred to the standing committee on transport and communications. That committee dealt with it during only one meeting in the immediately preceding session. Part of the committee meeting on March 14 was devoted to consideration of this bill, and about all that time permitted was a résumé of the bill and the presentation of supporting facts by the president of the Bell Telephone Company.

On February 16 during second reading I was privileged to take some time to deal with the bill and I do not propose to go over the same ground today. Just as an aside, it is my hope that the government or the house, if required, will consider an order incorporating the minutes of proceedings and evidence of the standing committee of last session as part of the committee's proceedings in order that it will not be necessary for the committee or the president of the company to go over that ground which has so recently been explored.

It is my hope that this bill will be given second reading and referred to the standing committee today. I do not intend to say anything more but I will listen with interest to any remarks of other hon. members who may wish to exercise their privilege and speak on the motion. At the expiration of this hour I hope this bill will be referred to the committee so it can receive the thorough study I am sure the committee will make.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to say that we agree with the proposal put forward by the sponsor that the Minutes of Proceedings and Evidence of the meeting of the committee last session be made part of the order of reference to the committee, if that is the proper wording, in order that the evidence which was heard will be automatically before that committee. This will obviate the necessity of covering that ground again and having the officials of the company duplicate their activities and efforts. We are the masters of our own rules and procedures, so I am sure we can do this if someone will work out the technique or mechanics of such an order. I am sure no one would object to that procedure.

When this matter was before the house on the last occasion we expressed some concern about the powers sought by the Bell Telephone Company and the necessity of conducting a very thorough examination into the bill and the reason the Bell Telephone Company wants the powers it seeks. If I may be permitted, I should like to say something about the operations of the committee to which this bill will undoubtedly be referred. The nature of the bill is such that we should attach to the committee several individuals who are expert in the field of communications and finance in order that they may advise members of the committee. In this way committee members would be in a better position to understand and fully appreciate the powers which the company seeks.

• (6:10 p.m.)

While this is a private bill and thus, under the rules of the house, relates only to a group of private individuals, I think the operations of the Bell Telephone Company should be considered as a public matter and the law relating to the company should be considered as public law. The Bell Telephone Company is a massive organization. It is seeking to increase its capitalization to $1\frac{3}{4}$ billion, which far surpasses the budgetary expenditures of many provinces today. It is involved in the highly developed area of communications and is in the forefront of new developments in telecommunications and electronics. Much of the material and machinery used by Bell Telephone becomes obsolete almost before it is put into use. Virtually every household has a telephone and it is almost a

prime necessity of life for one person to communicate with another. In the whole field of telecommunications, satellites, television and the like there is a state of revolution, and communications have a tremendous impact upon the average citizen.

In view of all these facts it seems to me we would be far better advised to consider enacting legislation relating to Bell Telephone Company as public rather than private law involving only a few individuals as distinct from the general public. The general public is greatly affected by what the Bell Telephone Company does.

Because of the highly technical nature of the company's operations and the extreme complexity of its financial structure, which I do not presume to grasp in even the smallest degree, I also think that the committee which considers this bill should have attached to it a staff of people who are knowledgeable in these fields and can advise its members on just what they should do with this bill. I believe these are prime reasons why the committee should have a knowledgeable staff to advise it. If the government would take cognizance of the desire to make our committees function more effectively than they have in the past, it would take the initiative in giving to the committee the authority to employ staff to undertake the studies necessary in connection with a bill as complex as this one and a company that has such a tremendous influence and effect upon the lives of so many people in this nation. If this is not procedurally possible, or the government does not avail itself of the procedures available at the moment to make these necessary provisions, I hope the members of the committee will recognize the necessity of doing so and will accordingly make the appropriate recommendations or take the appropriate action to enable personnel to give advice to the committee on all the ramifications of Bell Telephone's operations and the bill now before us.

In the last session this bill originated in and proceeded through the Senate. It reached the House of Commons and was given first reading. There was one business meeting of the committee to consider the bill and then the session ended. This time the bill is starting off in the House of Commons. This indicates on the part of Bell Telephone Company—they are very knowledgeable people and pretty smart when it comes to doing things and recognizing authority and power —a recognition that the place to start is the House of Commons because this is where the authority and the power are, and the Senate comes hindmost in the consideration of this and a number of other private bills that are now before us. I do not know whether this indicates a trend for the future.

[Mr. Howard.]

As I understand it the fees charged for the introduction of private bills in the Senate are less than those in the House of Commons. I understand that the historical reason for this is that it was thought that the Senate, having relatively little to do and being of relatively little value in the process of enacting law, should be given some sort of function even though a cursory one and accordingly the fees were made less in the Senate than in the House of Commons in the hope of inducing sponsors of private bills to start off in the Senate and let the Senate do the investigative work and study. The House of Commons was ofttimes considered, in respect of private bills, to be a rubberstamp for what took place in the Senate. Perhaps Bell Telephone has recognized that a change is taking place and they should proceed first in the house.

There is another matter I wish to bring to the attention of the house. It relates to the fees paid by Bell Telephone. During the last session they paid a certain amount of money—I do not know how much—as fees to the Senate for the introduction of the bill in that chamber. There was a commitment at the end of last session that in respect of any private bills that were not concluded either by being passed or defeated, those that were merely held up in the works—I refer to any private bills that were still on the order paper —which commitment was arrived at privately by representatives of the parties and indirectly the sponsors of the private bills, the companies petitioning for bills should, if they reintroduced them, not have to pay the fees a second time. I understand that the Bell Telephone Company has paid and perhaps has been required to pay by the rules of the house, which could not be waived until the occasion arose, for the reintroduction of this bill the amount of $150,000 as fees in respect of their private bill. They should not have had to pay this fee.

I hope that one of the first items of business of the committee, after it deals with the matter of staff and personnel attached to it because I think that is of paramount importance, should be to take action in making a recommendation to the house that the fee of $150,000 which Bell Telephone has paid a second time of necessity and through no fault of its own should be returned to the company.

Mr. Honey: Mr. Speaker, I may have misunderstood my hon. friend, and if so I apologize, but may I ask whether the hon. gentleman said that the bill was introduced in the Senate last session?

Mr. Howard: I may have said that. I was talking in general terms when I said that these bills by tradition emanate from the Senate. Some of the bills which appear on the order paper did emanate from the Senate. This bill was introduced in the house last session. I did not mean to imply that it emanated from the Senate.

Mr. Honey: I just wanted it made clear, Mr. Speaker, that last session also the bill originated in the House of Commons.

Mr. Howard: Then even more credit is due Bell Telephone in recognizing where the power in parliament exists, that it is in the House of Commons and not the Senate. After the House of Commons deals with the Bell Telephone bill we will toss it over to the Senate to do with as they wish. I suppose that as usual they will give it a rather scant look and agree with whatever Bell Telephone wants to do, which of course might not always be in the public interest.

• (6:20 p.m.)

Perhaps the answer I gave to the hon. gentleman who is the sponsor of the bill is worth following up. It underlines the necessity of dealing with bills of this nature, which have such a great bearing and effect upon the general public, as public law because it is only in the House of Commons that we receive a reflection of the public concern about certain matters owing to the fact that we have to go back home occasionally to get acquainted with the feelings of our constituents and at election time to attempt to be re-elected. This, of course, gives hon. members a much better opportunity to express the feelings of the general public because we are, or at least I hope we all are, more closely in touch with the public, its needs and aspirations, than are members of the other place which in many cases is aloof from public opinion and public concern.

So the fact that the Bell Telephone Company has come here, both initially and the second time, underlines the necessity of paying more attention to these matters in the house and, I hope, of taking steps to preserve the public interest rather than to attempt to meet the requests of private citizens in the Bell Telephone Company. In any event I believe that the $150,000 which I understand the Bell Telephone Company has paid again, should be returned because it was through no fault of theirs that they had to come back here this session.

The powers that Bell Telephone seeks to obtain are extremely broad. It almost wants the right to control the moon and a variety of other planets in outer space. It almost wants the power to print money, distribute credit, and I do not know what else. These powers and authorities which are sought by Bell Telephone are the subject of some concern on our part because in effect when parliament deals with a company as massive as Bell Telephone it gives it the right to promulgate private law by giving it the broad powers which it seeks. This is a matter on which our attention should be centred. Others in our party who have concerned themselves about the structure of the Bell Telephone Company will go into this subject in greater detail.

In closing may I say that I think this bill will be given second reading today. Those of us who are interested in private bills and have expressed concern about the effect which the enactment of such bills will have upon the public have in the past been responsible for delaying the passage of certain private bills. The reason for our concern at times has been the fact that either we suspected or discovered something unwholesome about some private bills. However, as was the case last session, we would like to see the committee given the opportunity to investigate and study this bill with respect to the Bell Telephone Company. At the moment there is every hope that the bill will be given second reading today and will go to the committee for the thorough and complete study which it obviously needs.

Motion agreed to, bill read the second time and referred to the standing committee on transport and communications.

AETNA CASUALTY COMPANY OF CANADA

Mr. A. J. P. Cameron (High Park) moved the second reading of Bill No. C-112, to incorporate Aetna Casualty Company of Canada.

Mr. Howard: Mr. Speaker, I would hope that the sponsor of the bill would give us as careful and assiduous an explanation of the purposes of the bill as he usually does.

Mr. Cameron (High Park): I will be very glad to do so, Mr. Speaker. This bill seeks the incorporation of a company under the Canadian and British Insurance Companies Act to

carry on business in all classes of insurance other than life insurance. A similar bill was first introduced in the last session of the twenty sixth parliament and was passed by the Senate on June 30, 1965, but received only first reading in the House of Commons before that parliament ended. In the first session of the twenty seventh parliament a similar bill was passed by the Senate on February 24, 1966 and had advanced to the committee stage in this house prior to third reading before prorogation.

The proposed company would be a subsidiary of the Aetna Casualty and Surety Company of Hartford, Connecticut. The Aetna Casualty and Surety Company is a corporation carrying on a substantial general insurance business in the United States of America with its head office at Hartford, Connecticut. Aetna Casualty, with its subsidiary, The Standard Fire Insurance Company, writes business in all classes of insurance for which application is being made in the bill to incorporate the Canadian company.

The 1965 premium income of Aetna Casualty, including Standard Fire, increased 17 per cent to $665 million.

The Aetna Casualty and Surety Company was organized in 1907 and operated as a partially owned subsidiary of Aetna Life Insurance Company until late in 1964. At that time a reorganization was effected under which all the shares were transferred to and are now held by a trustee for the shareholders of Aetna Life Insurance Company.

Aetna Life Insurance Company was incorporated and commenced business in 1853. The Aetna Life and Casualty organization now carries on business throughout the United States of America and is one of the largest multiple line insurers in the United States.

Aetna Life Insurance Company commenced doing business in Canada over 100 years ago. In 1960, Aetna Life Insurance Company made an offer to the shareholders of the Excelsior Life Insurance Company of Toronto for the purchase of approximately 70 per cent of the outstanding shares of Excelsior.

Aetna Life Insurance Company presently holds 70.91 per cent of the outstanding shares of the Excelsior Life Insurance Company. Substantially all new business in the life insurance field in Canada is undertaken by the Excelsior Life Insurance Company rather than by Aetna. The Excelsior Life Insurance Company operates with almost complete autonomy, and its operating management is entirely Canadian.

[Mr. Cameron (High Park).]

The Aetna Casualty and Surety Company of Hartford has conducted business in Canada for some years and has held a certificate of registry under the Foreign Insurance Companies Act for the past 48 years. A substantial part of the business conducted by the Aetna Casualty and Surety Company has been related to business conducted by the company with United States corporations having subsidiaries operating in Canada. A certain amount of direct business has also been carried out, especially in connection with major risks, an example of which is the liability insurance for Expo 1967. The company has not maintained any offices, other than for the servicing of claims, in Canada but has carried on its Canadian business through its chief agent, Dale and Company of Montreal.

The Aetna Casualty and Surety Company has reviewed its operations in Canada and has concluded that it would now be desirable that its direct Canadian business should be carried on by a company incorporated in Canada. It is believed that this step would enable the Canadian operations of the company to be developed more effectively and with greater Canadian participation in the conduct of the business.

In anticipation of expanding its operations in Canada, either through a Canadian company or through the United States company, Aetna Casualty and Surety will establish an office in Toronto. It has already selected a Canadian to be general manager of its operations in this office. Another Canadian has been selected to be in charge of the fidelity and surety operations.

• (6:30 p.m.)

The establishment of a Canadian company would provide additional insurance capacity for the Canadian market. This would be true with respect to all classes of business which the company plans to write, but is particularly important in the surety bond field because of the vast construction projects which are planned for Canada in the future.

The Aetna Casualty and Surety Company of Hartford now has claim offices located in Toronto, Montreal, Quebec city, Hamilton, Winnipeg, Calgary and Vancouver with approximately 40 employees located in Toronto and another 50 spread throughout its other claim offices in Canada. All but four of the present employees are Canadians, and all present employees would become employees of the Canadian company. Normal growth would indicate that by the end of five years employees would number 300, of which at

least 95 per cent would be Canadians. The Canadian company would be under the direction of the before mentioned Canadian general manager, who would have charge of the company's operations throughout Canada. Initially, underwriting, sales, engineering and accounting would be centralized in the head office in Toronto, but as need becomes evident these facilities would be placed in other important cities in Canada. Of course the experience and services of the Hartford company will be available for the assistance of the Canadian company.

As is customary for any prudent insurance company, it will adopt a re-insurance program designed to protect its surplus from catastrophic loss.

A financing plan has been developed to provide the capital and surplus necessary without impairing the balance of trade position of either Canada or the United States.

It is the intention of the Aetna Casualty and Surety Company, as the parent company, to leave any underwriting profits in the Canadian company to strengthen its financial structure.

A primary objective for the company, already demonstrated in the selection of the general manager and the manager of the bond department, will be to employ Canadians in the management of the operation to the extent that they are available. Of course all of the clerical personnel will be Canadians.

The establishment of this Canadian company will create for Canada additional employment, additional capital funds and, as previously mentioned, additional capacity for the insurance market. The Aetna Casualty and Surety Company has stated that it looks upon the establishment of the company as an additional thrust for the already demonstrated expanding Canadian economy, and as a permanent and growing part of this economy.

Mr. T. S. Barnett (Comox-Alberni): As the sponsor of the bill has already stated, this bill does have a rather familiar flavour because we had a look at one which was essentially the same during the previous session. It immediately comes to my mind that one could, in effect, label this as the A to Z bill, but since the sponsor is a firm from the United States perhaps one should say the A to Zee bill. In the clause which sets out the classes of insurance which it is proposed this company will handle, it so happens that every letter of the alphabet is covered. As the sponsor says, apparently everything is in here that one could imagine except the carrying of life insurance.

I should say at once, Mr. Speaker, that I listened carefully to the very straightforward outline of the purposes of the bill given by the hon. member for High Park (Mr. Cameron). In my opinion the speech he has just delivered constitutes a convincing argument as to why this bill should not receive passage in the house. He has been quite straightforward in stating the company will be a subsidiary of the United States company, and that while they have been operating in Canada in the past directly, the passage of this bill would enable the company to expand their operations in this country.

I believe this statement raises at once a rather fundamental matter of economic policy so far as the country is concerned. I must say that in the insurance business, and in the financial field generally, it is my view this parliament should accept the view that foreign enterprise in this field should not be encouraged to expand at this juncture in our history. The hon. member for High Park, who is sponsoring the bill, obviously holds a somewhat different point of view on this question. In my view the presentation of the bill does open up, some very broad considerations concerning the economic future of this country.

I think it would have been quite appropriate if the President of the Privy Council (Mr. Gordon) had been in the chamber during this hour to give us the benefit of his views on the proposals in the bill. I am sure that with his background and experience as a former minister of finance in this country, and with the knowledge we have of some of the views he has expressed in this chamber and in other places in Canada, he would be much more competent to go into the ramifications of this particular bill than I feel I am.

Nevertheless, while I certainly do not agree with all the proposals that have been made by the President of the Privy Council with respect to controlling the increasing subservience of our economy to that of another country, I do agree with what I feel should be his basic objective, and that is to adopt measures to guarantee the economic independence of our country. The proposal contained in this bill moves in exactly the opposite direction, and it does so in a field which has been recognized in our banking legislation as being one about which not only the President of the Privy Council and members of the New Democratic party are concerned, but even the present Minister of Finance (Mr. Sharp) has

indicated increasing encroachment and control in the financial field as something which should be of concern to us all.

I suggested in previous discussions on insurance bills that in my view insurance companies are not wealth-producing institutions. When we discuss the principles involved, allowing foreign financial institutions such as insurance companies to extend their operations in Canada, what we are in fact doing is enabling an institution to draw out from Canada wealth which is being created by all of us.

I think there is a valid distinction between the extension of an operation of this kind in our economy, and an investment which may be made in the resource extraction industry. I think it should be clear that in expressing this point of view I am not in any way casting reflections upon the particular company which, as the sponsor says, is an old established firm in the United States. I am not casting any reflections, either upon the way they have operated their business, or upon their financial soundness. Nevertheless this measure does involve a real question of policy that I feel puts us in the position of having to discuss the question from the broader point of view than the incorporation of this particular company.

• (6:40 p.m.)

It seems to me, Mr. Speaker—and statistics bear this out—that there has recently been a very deliberate attempt over a period of years on the part of United States firms to move into and gain increasing control of the insurance business in Canada. The sponsor of the bill mentioned that there had been a purchase of a former Canadian company, and this is just one example that has been repeated many times in recent years of a process that has been going on, to the point where, in this field as in so many others, we as Canadians, either in this parliament or outside of it, are not going to have any real say in the conduct of the affairs and economic life of Canada.

I am not at all certain that one should be concerned whether a company of this nature is going to undertake a single class of insurance business, or multiple classes of insurance business as proposed in the bill. I suppose that if this company is going to operate in that field, it should be able to write insurance covering all kinds of possible damage or hazards to property. Nevertheless the fact remains that there are now in operation many businesses which provide Canadians with the opportunity of acquiring the insurance that they may desire to place upon their property in order to protect themselves against the financial loss that may occur as a result of fire, accident, falling aircraft, earthquakes, explosions, or any one of the other classes mentioned in the bill.

One of the classes that is not mentioned in the bill, one which does cover damage from earthquakes, and a class which, if it had been included and the company were prepared to confine its operations to this field, might have led me to support it, is tidal wave insurance. I mention it because part of my constituency was damaged a few years ago by a tidal wave which had been caused by an earthquake in Alaska. Quite considerable damage was done at that time to property.

As a result of this occurrence I discovered that apparently tidal wave insurance is not available to the ordinary property owner. If the sponsor of the bill could persuade this company to withdraw these other classes of insurance and to confine itself to providing tidal wave insurance, perhaps I might be convinced to take a different position on the bill. Because this is an example of the kind of protection which apparently is not available, and there might be some virtue in a company entering this particular field of insurance. Although these other hazards are covered, apparently this particular one is not.

Mr. Howard: They would run out of letters in the alphabet.

Mr. Barnett: My colleague suggests that there are perhaps not enough letters in the alphabet. Those of us who have been here for some time know that you cannot go from (aa) and (bb) down to (xx) when enumerating paragraphs in the interpretation clause of a particular bill, though I do not suggest seriously that this is a reason for this or any other company not offering this particular class of insurance.

At times, Mr. Speaker, I am amazed by the willingness with which Canadians enter arrangements to become directors and operators of wholly owned subsidiaries of firms outside Canada. I think that the particular elements in our society that move into and operate in the field of business management and the framing of business policies should, by right, be among those who are most concerned about preserving the economic viability of the Canadian economy as something which belongs to Canadians. I suppose it is part of the philosophy that is all too prevalent, that we are too willing to make a fast buck at any price.

I think this attitude and outlook enters into the approach that people in the business community are inclined to take, sometimes subconsciously, without really realizing the implications. I suppose one could argue that we are moving into the field of a type of international corporate structure; but in our particular situation this is a pretty one-sided operation because we lie next to a nation as large and wealthy as the United States. In the process is seems to me we are likely to be so completely submerged that any meaning in reality to Canadian life will go down the drain. This is what will happen if we in this parliament do not show our concern about the trends which are becoming increasingly evident all the time.

I do not know, Mr. Speaker, that there is much more I can add to my argument. I am not too hopeful that I can convince the sponsor of this bill of the error of his ways. I know he has put forward his proposal in good faith, and I presume with an honest conviction that it would be in the interest of Canada and would be expedient to adopt this bill. I simply say to him in closing that he and I apparently have a very honest difference of opinion as to what in this sort of situation is in the real interest of the economy and the citizens of this country.

Mr. Frank Howard (Skeena): Mr. Speaker, I have always had a great appreciation of the abilities of my colleague the hon. member for Comox-Alberni (Mr. Barnett), but after listening to him I think the word appreciation is rather pale and insipid. He has just given me cause to admire his perceptiveness and his ability to follow the highly detailed, technical and complex remarks made by the bill's sponsor. My colleague grasped the significance of the document introduced in the introductory remarks by the sponsor of the bill. When my colleague referred to that document and said that he appreciated the straightforward manner in which the bill's sponsor had outlined its purposes, I was amazed. I had not thought it possible to follow the labyrinthian course that the bill's sponsor outlined when he explained the intricacies, complexities and involvements of this company with other companies.

• (6:50 p.m.)

As the bill's sponsor spoke I was reminded of the mazes we tried to solve in the Saturday newspapers of long ago, when we were children. One had either to find the starting point to solve the maze, or begin again. The ability of the hon. member for Comox-Alberni to find a solution to the maze presented by the sponsor of the bill surprised me. As for myself, I must read *Hansard* and study it in detail to appreciate the full implications of this bill, the corporate structure of the company, and to try to assess its affect on the public of this country.

It is clear that the company spoken of in the bill is not Canadian owned but is a subsidiary of a United States company, as are many insurance companies and the like in Canada. Some years ago when Mr. Barrette was premier of Quebec and Mr. Jean Lesage was running the campaign of the Liberal party, which was then in opposition, the Liberal party's clarion call was the slogan "maître chez nous"—master in our own house. This was more than a declaration; it was a symbol of the feeling of the Liberal party in Quebec, that the people of Quebec ought to be masters in their own house. That slogan is one which the national Liberal party could also use. Canada ought to be master of its economic house. If we are not our own master, if we are not vitally concerned in owning our own house in the economic sense and stopping the drift to a greater foreign control of our industry and commerce, we shall not long be our own political masters. He who controls his purse controls his destiny.

No other nation in the world has such a high proportion of its industries and commercial establishments controlled and owned by foreigners as has this nation. I have heard varying figures mentioned but I believe that somewhere around two thirds to three quarters of our total economy is under foreign control, under the dictation of people who are not Canadians and do not live in the country. The Aetna Casualty Company, or whatever the name of the parent company at Hartford, Connecticut, is another example of a foreign company owning part of Canadian commerce.

My colleague for Comox-Alberni spoke of the philosophy of the President of the Privy Council when he was a private member, a candidate, chairman of a royal commission, a budding author, minister of finance, again a private member, minister without portfolio and now as President of the Privy Council. I shall not repeat what was said. The views of the President of the Privy Council are well known. Unfortunately the Liberal party does not espouse the slogan "maître chez nous" —except for the Prime Minister.

Some time ago on a nation-wide television broadcast the Prime Minister enunciated his

philosophy and the philosophy of his government. He said Canada ought to regain and own an increasing proportion of its industry. We thought he meant what he said. Considering the new legislation which demands that new life insurance companies be Canadian owned in majority, and the statement of the Prime Minister, we took his forthright statement to mean that the principle enunciated in the life insurance legislation would apply to other insurance companies.

An hon. Member: Seven o'clock.

Mr. Howard: Some one has called it seven o'clock. May I say, before closing, that we intend to talk this specific bill out because the company in it does not meet the philosophy enunciated by the Prime Minister, or the statute law of this nation as it relates to life insurance companies.

May I call it seven o'clock?

Mr. Speaker: It has been brought to my attention that the house considered item 1 under private bills and we then went to item No. 3. Is it understood that order No. 2 under private bills is allowed to stand.

Some hon. Members: Agreed.

Mr. Speaker: Order, please. The hour provided for the consideration of private members business has expired. The house will now resume the business interrupted at six o'clock.

SUPPLY

The house in committee of supply, Mr. Wahn in the chair.

DEPARTMENT OF THE SECRETARY OF STATE

1. Departmental administration, including grants as detailed in the estimates, $1,648,900.

At seven o'clock the committee took recess.

AFTER RECESS

The sitting resumed at 8 p.m.

The Chairman: The house in committee of supply on the estimates of the Department of the Secretary of State, item No. 1, departmental administration.

Miss LaMarsh: When six o'clock was called I was explaining to the hon. member for York-Humber something with respect to the item in my departmental estimates concerning the expenditure for prime ministers statues. I hope I shall be able to pick up in a coherent way the thread of what I was saying.

It was after I had rejected the two pieces of sculpture representing the former prime ministers Meighen and Bennett that some publicity was given to the matter. I am grateful for the fact that the C.B.C. did show photographs of the two sculptures—photographs which I did not know existed. In fact, since the photographs were published I have received nothing but commendation on my decision, not, I hasten to say, because there was anything lacking in the aesthetic merit of the works, or the quality of the artistry, but only on account of the manner of representation.

Some notable modern sculptors, of whom I suppose Mr. Gerald Gladstone is the greatest example in Canada, indicated that in their view a feeling for the character and personality of the individual represented might be more appropriate. Indeed, the two sculptors whose work we rejected both, undeniably, gave a "feeling" of their subjects. The Meighen sculpture was a wire sculpture, attenuated, and highly pleasing aesthetically, to me; it conveyed what many people still retain as an impression of Mr. Meighen. However, some members of his family and friends of the late prime minister felt it might be considered to be a caricature of him, and I agreed it would not be acceptable generally to visitors to the Ottawa area.

The sculpture of the late Mr. Bennett was a massive thing of eloquently undefined nature, and it undoubtedly carried much of the feeling of Mr. Bennett, at least to me, to the extent I recall him. But this, too, was one which might well have been considered by most laymen to be a caricature, and I think hon. members will appreciate, particularly since this concerned two Progressive Conservative prime ministers, that I was sensitive to this possibility.

After these sculptures had been rejected, I am informed that negotiations were conducted with the officials of the gallery and the special expert committee, and as far as I am aware the two sculptors have had their accounts with the government settled. I am not sure what happened to the maquettes. I am informed the gallery invited the sculptors to leave both with them. I have asked that the expert committee be reconstituted and be requested to select two more artists who will be expected to produce more representational figures. This time, so that there may be no

controversy about their artistic merit, I have suggested I will see the maquettes when they are ready, and myself decide in the first instance whether or not they appear to be sufficiently representational. Only if they pass that test would they then be considered on their artistic merits. As far as I am concerned this is acceptable to the expert committee, which is at least in the process of selecting two more sculptors. The latest information I can obtain is that at least a sculpture of Mackenzie King may be ready during 1967. Sites were selected on the grounds of the parliament buildings, on the grounds of the Supreme Court building, and I believe one was to go on Nepean Point. However, I cannot tell the committee which ones were to go where, but subsequently I will be able to give a better report.

• (8:10 p.m.)

For the reasons I have explained, I do not know what the individual statues were to cost.

The portraits referred to are those of two leading personages, one the Prime Minister and the other the former prime minister, the right hon. Leader of the Opposition, who have not heretofore been painted. It will be noted that outside this chamber a painting of Right Hon. Louis St. Laurent appears. Some months ago I wrote to the right hon. Leader of the Opposition, and to the Prime Minister, suggesting a number of artists' names, who are well known, and who had within the last two months painted prime ministers, speakers and other notables, and suggested that from this short list, or from any other source, these individuals might arrange to have their portraits painted now, while they are in blooming health. Of course, neither of these portraits would hang in the parliament buildings while the subjects are still members of parliament, or members of the other chamber. Only upon their leaving parliament would their portraits join those of other prime ministers.

It seemed to me it was an appropriate time to obtain these two paintings, and for once to give the objects of the paintings the opportunity to select their painters. I ascertained over the dinner hour that the portrait of the Leader of the Opposition is in process but, though the Prime Minister had a picture painted by a volunteer artist, it was not considered suitable for the specific purpose of hanging in the halls of parliament. Accordingly, the Prime Minister has been urged to make himself available to a portrait artist with all reasonable dispatch, bearing in mind his other responsibilities, in order that his portrait might be painted.

That is the saga of the statues. I am not sure whether in the future it is likely that all prime ministers will be sculped after a decent interval, by virtue of the fact that nowadays it is not thought to be a good idea to have a forest of stone rising around parliament buildings.

A number of suggestions have been put forward, including the dedicating of fountains, something which hardly seems to be appropriate to the name of a former prime minister. There have been suggestions that a sculpture garden with at least busts, for instance in the sense that one sees in Rome, might be considered for the capital area, with prime ministers and perhaps other leading Canadians to be sculped from time to time. These are rather expensive. I think the last one done was by a Toronto sculptor. It was donated, but the pedestal alone cost something like $60,000. It seemed to me that the centennial year was a particularly auspicious one in which to begin filling in the sculping of some of the men who have caused the modern state of Canada to develop as it has. Accordingly it was thought parliament would be prepared to honour these gentlemen in this way by having them sculped. That is why the Department of the Secretary of State undertook to do the work.

Mr. Cowan: Mr. Chairman, I would like to thank the Secretary of State for the full replies she gave to what I thought were two short questions just before the six o'clock adjournment. I do not intend to speak on the C.B.C. on this vote. I am going to speak at some length when the C.B.C. vote itself comes forward, which may be in a few days; but I do want to comment on some remarks made in this chamber this afternoon in the course of the discussion on the estimates of the Department of the Secretary of State.

This afternoon the hon. member for Okanagan-Revelstoke was passing some remarks about televising the proceedings of the security council and intimating how this would give the entire world the impression they were taking part in running world affairs. The comments he was making with regard to the printed word were not entirely commendatory and they did not rest easily with me, who has been associated with the printed word for the past 40 years, and my father before that.

How in the name of heaven does the hon. member expect the world to see the televised

proceedings of the security council or of any other legislative body that he thinks should be televised? Are we all to stop work to watch the television screen? People still have to earn a living, and according to the time zones in this world people have to sleep at certain hours, people have to work at certain hours, and people have to eat at certain hours. Yet we are told the impact of televising legislative proceedings would be terrific, that the world should be able to participate in the deliberations of legislative bodies, and that the only way it can feel it is taking part is through television. I tell you, Mr. Chairman, the world still has to earn a living, it still has to rest, and people like recreation of various kinds at certain hours of the day or night. The fact is that television binds us to the time the television proceedings are on.

I cannot for one moment visualize the world stopping breathing just to watch the televised proceedings of any legislative body; and I thank God for the printed word, which makes it possible for us to get accurate, and fully detailed reports of proceedings throughout the world. Those reports can be read at the convenience of the reader, not at some time specified in advance by some deliberative body meeting in Geneva, New York, London, or Paris, France, at the convenience of that body, no matter what the time zones elsewhere in the world may have the residents of those zones doing.

I cannot subscribe to the opinion that television is so far superior to other means of communication that the world should stop whatever it is doing just to watch it; and I thank heaven for the printed word which gives us an accurate report, one to which we can refer days, months, or years later if we wish. In television you have it for one instant, and then it is gone.

The hon. member for Chapleau this afternoon was standing up in his place and asking that the Canadian Broadcasting government—and "government" is not a bad slip of the tongue, because they do what they very well please—that the Canadian Broadcasting Corporation should be given all the money necessary to provide radio and television services in what he calls the frontiers of the nation. The estimates this year for the C.B.C. are up $29,476,000, to a record $143,960,000. Yet the hon. member for Chapleau says that the C.B.C. should have all the money it needs to take television and radio to the far, outlying parts of this great country of ours.

[Mr. Cowan.]

In the name of heaven, does nobody pioneer in this nation any more? This nation was built up by people going out to the frontiers, developing mines and farms. They did not have television and radio paid for at other people's expense. They had fiddles and pump organs. They had musical instruments. They read books, magazines, and newspapers, weekly or daily as the case might be, and they opened up this country in the way it has been opened up. It is a credit to them, and I only hope we can measure up to the fine people who made this country what it is today.

• (8:20 p.m.)

The hon. member says television and radio entertainment should be provided. I point out that Marcel Ouimet says 62 per cent of the C.B.C. programming is entertainment. In other words, entertainment takes 62 per cent of this $143,960,000 which we are going to be asked to vote for the C.B.C. But more of that later.

Right beside the hon. member for Chapleau is his seatmate, the hon. member for Roberval. I sat in this house that morning until three o'clock or 3.20 when adjournment was being held up because of a desire to have a milk subsidy of $5 or $5.10. I have never been certain whether it is $5 or $5.10, because the farmers carried signs asking for $5, yet all the discussions I have heard have made reference to $5.10. How in heaven's name can we expect the Liberal government to provide a milk subsidy of $5.10 and also provide radio and television facilities to all the frontier areas of this nation, no matter where one goes in this country to make a living according to his own whim—I am thankful it is a free nation, but the Créditiste members will not find it possible for us to pay $5.10 in milk subsidies and in addition increase grants to the Canadian Broadcasting Corporation as outlined by the hon. member for Chapleau.

I find it passing strange that two hon. members in this house who are seatmates should ask the government to pour out the money in two such divergent ways. I think we must think occasionally about the taxpayers, and I admit there are not many in this house who do. We must consider the person who is carrying the load both for the Canadian Broadcasting Corporation and the federal milk subsidy.

Where is this French culture everyone is talking about? We hear a great deal about two cultures in this nation: There is only one culture, the world over. Civilization is the sum total of cultures in all parts of the world.

There is no such thing as biculturalism. I am wondering what culture these Créditistes are talking about. Are they talking about the culture of the past which built up this nation when the people had fiddles, hand instruments, organs and the like, or are they talking about the culture associated with television and radio, through which we are now going to open up the country? It will be interesting to know which culture they hold in the highest regard, the old culture of the past or the new culture of radio and television.

Mr. MacDonald (Prince): Mr. Chairman, while it would be tempting to comment on some of the remarks just made by the hon. member for York-Humber, I think I will deprive myself of that luxury this evening and confine my comments to matters relating directly to the estimates before us.

At the outset may I raise a question, and I suppose this is the only time one can ask questions which are borne out of the innocence of naïvety or the early stages of one's involvement in enterprise. One of the incongruities which has disturbed me since becoming a member of this house is that, while we are ostensibly discussing the estimates contained in this blue book, they are the last things in the world that get discussed either in the house or in the committees.

I shall do no less in this regard than any other member in this house, because I think part of the difficulty in dealing responsibly with the massive spending that is carried on year by year by this government results from a lack of information on which to assess in any kind of rational manner whether the spending we are being asked to approve is necessary.

I am glad to say that I have learned recently from one or two departments that the officials themselves in various departments have become quite concerned about this lack of information and intend to put in some detail about the spending that takes place. This is something which will not cost the departments a great deal of time, energy or money. At this time I believe that every Crown corporation presents an annual report. These reports are quite costly, at least by Prince Edward Island standards. They are not run off on a mimeograph machine over a week end. Very often pictures are used for emphasis, and many other means are used to make this a presentable document, although often they are void of any hard and useful information. More often than not these annual reports appear to be public relations documents. I suppose this is necessary on occasion to sell the services and wares of these various departments. It is my feeling however, that when we are called upon to act responsibly in deciding the value of the expenditures of various departments we should be given more information.

Frankly, I find it quite shocking that in certain cases we are called upon to vote large sums of money without having been given adequate information. Having regard specifically to the estimates of the Canadian Broadcasting Corporation, we are given very little information. This year we are being called upon to agree to the expenditure of some $140 million and are told in three succinct lines that this is simply a grant in respect of the net amount required to discharge the responsibilities of the national broadcasting service. I suppose that explanation is given year after year without being changed by one jot or tittle. We are not even told the number of employees required, as we are in relation to some other departments. These employee positions are now euphemistically termed "Positions (man-years)". I hope somebody will give us some explanation as to that particular designation.

It is my belief that if we are going to treat these estimates sensibly and rationally year after year, both in the house and in the committees, these large amounts of money should be broken down with specific detail. It may not be necessary to print those details in a fancy book or in a book at all, but surely the department should be able to give members of parliament this detail in order that we can relate our discussion to the specific items and perform the job we are here to perform, namely consider the finances of government.

Let me now mention some of the various areas of responsibility encompassed by the Department of the Secretary of State. I suppose I should take the time to commend the minister for the capable way in which she seems to have handled a great many of her responsibilities. Certainly she has one of the most interesting portfolios of government, although not an easy one. Indeed I wonder whether it would be possibly for her to remember in an instant all the various programs, corporations and plans for which she is responsible.

In reviewing her remarks of earlier today, I am disturbed to note that she did omit, as has been pointed out, three or four subjects which I think are of importance to us. The first of

these, which has been of interest to me for some time, is the Canadian Film Development Corporation. When we were asked to approve of the establishment of this corporation as quickly as possible there seemed to be great urgency to put the legislation on the books. The legislation has now been on the books for some time, yet this whole activity both publicly and privately has been almost as dead as a nit.

I am inclined to speculate that one of the reasons for this inactivity is that during the early stages the government was anxious to have this legislation become operative in order to produce a round of centennial films. That is a commendable enterprise, but as I have mentioned privately to the minister and others, I hope we have not established a corporation on the basis of a one shot affair, and that in fact we have established an agency to encourage a vital cultural development, which could be tremendously meaningful to this nation.

While many of us may think of a feature film as being purely entertaining, there is something about the nature of a feature film which reveals to members of that country and to others a great deal of the personality of that country. The feature films can at the same time be a valuable source of entertainment. I hope we will not have to wait too much longer before positions are filled on this important corporation, or for the necessary regulations to be laid down so that this corporation can come into effect. We have waited for a long time now, and I speak in terms of years, for something to happen in this important sector. Having passed this legislation, I do not think it is necessary for us to wait much longer.

I should like to refer briefly to another matter of great interest, and I refer to the subject of satellites. It is perhaps putting the cart before the horse to spend a great deal of time, as we have done and will do, discussing the C.B.C. and the proposed amendments to the act, when in fact the development of satellites may spell out the death knell to the C.B.C., as we have known it. If by the development of satellite communication in this decade we open up the opportunity for people to tune in any time anywhere to a variety of programs from various sources, our control of broadcasting through the C.B.C. will be greatly reduced.

• (8:30 p.m.)

I think it is folly for the government to delay, or at least seemingly delay, referring this important matter to the appropriate committee. It should begin in every way, shape and form possible to accelerate our involvement in this program. There are countries with a great deal of vested interest in controlling our communications sector, and if they steal the march on us in this regard it will not be to the credit of this government in the years to come.

Then there is the matter of educational television. This is a complex field, and I do not pose as an expert in it or even as one who has strong opinions. However, I believe, as was echoed earlier by the hon. member for Royal, that since this question was of vital significance to the minister earlier this year, it is high time it was given serious study by the house and its committees.

Then of course there is the National Centre for the Performing Arts. I really did not expect the minister to refer to this matter in her estimates. There has been a joke going around here for some time, that we could not tell the National Centre for the Performing Arts from a hole in the ground; but we cannot say that any longer because it is above ground and we know that activity is taking place there. I am a little disturbed, however, by comments made recently in the city of Ottawa, that this particular centre may not be as available for the encouragement and development of local culture in Ottawa as I would like to see it. I realize that we are constructing a centre that will serve all of Canada, but I think we are realistic enough to believe that it will provide some special service and will have some special significance to Ottawa, Hull and environs. Therefore before too long I hope a public discussion will take place as to the actual progress being made with this tremendous cultural complex, that will be fully operational in our midst before too long, we trust.

Then there is the matter of the centennial youth travel program. I, like other hon. members, feel this has been a tremendous program and I am glad to hear it is not going to be dropped. I have been somewhat disturbed at aspects of the administration of this program and to learn that they have got out of hand. Through personal contact with and involvement in one specific request of a youth group I have noted that there seems to be either too much bureaucratic jungle, or perhaps the staffing requirements are not adequate to meet the kind of request that is being made.

I trust that as the program continues to develop the situation will improve. Perhaps

there is not as much reason for a poor show in this regard, administratively, as in others, since it has been in operation three years. If expertise is not available or adequate, I hope that interested parties are being communicated with so that this matter may be attended to at an early date. Generally, Mr. Chairman, I want to commend the minister and the centennial commission for a program that has done a great deal to foster a real understanding by young Canadians of what their country is really like.

There has been reference here today—though I had not originally intended to speak on the matter—to the possibility of televising and broadcasting the proceedings of this place and its committees. I have found some of the discussion today rather confusing. I find it a little disturbing that a person in this place, who by his very appearance here or position here is involved in the democratic process, would be afraid of allowing people to see what is going on in this important deliberative chamber. I for one believe that the more communication with and the more opportunity we can give people to understand what happens in this place, the better we will perform our jobs and the more participatory will be the democratic system that we hope to see foster and grow in this country.

It disturbs me that in this connection we have been so neglectful of two media as to discriminate against them. I think without question we have allowed for years those who work for the newspapers to have ready access to this house and our committees; but for reasons which are mostly myths, I think, we have deprived the media of radio and television from having the same equality of access to this chamber and our committees. While I am on this point—

Mr. Choquette: Mr. Chairman, may I ask the hon. member a question?

Mr. MacDonald (Prince): You may ask it in a few minutes. While I am on this point, Mr. Chairman, I would like also to mention something with regard to technical innovation, which I believe will be exceedingly important. A few years ago, if I recall correctly, the then prime minister had made available in his office a rebroadcast, or a speaker system so he could hear what was happening in the House of Commons. As I understand it, there was a great disturbance about this and eventually that system was removed. I thought that was a great mistake. I think if wiser counsel had prevailed those who had been alerted to this possibility would not have argued for the removal of one speaker but for the installation of one in every member's office in this place. Indeed, I would pursue it even further and suggest that we should have available not only an instantaneous reproduction of what is happening in this place but also what is happening in committees. This would not involve a great deal of expense, technically speaking. While I am sure there are those who would cry out instantly against such a system being adopted, I think anyone who would do so has a kind of childish naïveté which does not accord with the facts. I think it would be much better if we had the advantage of such a system when at times we are detained in our offices, and at other times when we are much more usefully employed in our offices and are not specifically involved in debates that are taking place in the house. I hope that government at an early date will make these facilities available.

I should like to comment on the remarks of the hon. member for Lotbinière, who spoke earlier today on the regulations restricting political broadcasts. I agree with him wholeheartedly. I think we have some very foolish regulations in this respect. I do not know who wrote them, but I think they are very foolish because they seem to me to desire to make political broadcasts dull. If you have seen the number of people who normally listen to or watch political broadcasts such as "The Nation's Business", you know that they achieve the desired result, because these programs have one of the smallest listening audiences, not because the subject matter is all that boring or uninteresting but because the regulations controlling their format make it that way.

I could give a small example pointing out the ludicrousness of this situation. During the last federal election campaign, when I was a candidate, we made a number of film clips of myself touring the constituency, and what-have-you. We intended to use these film clips on various television programs. It was decided that we would add light background music to the film clips to improve the production, not necessarily of the candidate but to add some qualities to the production.

An hon. Member: Perhaps that was needed.

Mr. MacDonald (Prince): I may say that it was not necessary in this case. We found that because of these regulations it was impossible to play recorded music behind the film clips. I found this baffling to the nth degree; yet it

was defended as being part of the regulations. If we set ourselves up as making effective political programming, nothing could be further from the truth.

In the few minutes remaining to me, Mr. Chairman—and I told the minister earlier that I was not going to take too long—I should like to take perhaps two or three more minutes to deal with an area that concerns me greatly and has for some time. That is the question of broadcasting itself. The minister told us today that appointments will be made shortly to the upper echelons of the C.B.C. This has been greeted in general, I think, as being a necessary fact and a necessary act, but I am not totally convinced of the soundness of this move. I believe it is necessary to act with all reasonable haste to alleviate many of the serious problems that exist in the C.B.C. at the moment. I think the work of the broadcasting committee, and the legislation which is proposed to bring before us shortly, will attempt to solve many of these problems. However, I would think that the danger involved in this suggestion is the same kind of danger that we have faced in our experiences over the last few months, namely that by executive action the government of the day shall usurp the powers and responsibilities of this place.

• (8:40 p.m.)

If my guesswork is correct, the legislation that will be introduced in this house will be radically changed with regard to the responsibilities and even the method of appointment of the top officers in the C.B.C. In effect, what the government will do by making appointments now is to destroy the meaning of a good deal of the machinery that will be instituted at a later date this year. I think it would be either irresponsible of the government, or unwise of those people who are to be selected for these positions, if such a move were made. This may not be in accordance with the views of some hon. members, even on this side of the house, but I see great danger at the moment in appointing people, which would have to be done, to almost fictitious posts, because no such posts exist until the new legislation establishes them. Perhaps the minister can assuage my fears in this regard, but I am not happy with her announcement as it presently stands.

Second, we are being asked to grant a greatly increased appropriation this year for what the minister has described as a normal increase in salaries because of a threatened strike, because of a good deal of new equipment, much of it related to colour I would imagine, and for the amortization of some of the capital products. If basically that is the purpose for which this extra money is being provided, this is indeed disturbing because it became apparent to those of us who sat on the broadcasting committee that one of the root problems of the C.B.C. was the fact that it was being strangled by having its television operation being made dependant on advertising. The way in which the problem was dealt with in the white paper did not offer a very good solution. I am not sure that the legislation will introduce a good solution, but unless we are willing to give priorities in the right order, some very fundamental ills in the C.B.C., particularly as they relate to television, will not be solved.

If we are going to make the C.B.C. into an effective instrument of public programming and broadcasting in this country, the amount of advertising revenue available must be a secondary concern. We must ask ourselves the primary question first, namely, how much Canadian content do we want in our broadcasting, what should be its quality and what will it cost us? When we have made those decisions, then I think we can turn to the question of how much we might recoup through the use of intelligent advertising, instead of setting in the beginning some kind of artificial formula or figure.

I think also, as the hon. member for Royal has suggested, we must stimulate and encourage the C.B.C. to do a great deal more in the area of public affairs. I for one have been amazed, even flabbergasted, at the amount of good and competent public affairs programming which has been done this year by the C.T.V. network even though, to my knowledge, it has not received one cent of public money to do so. I know they have done this in order to fulfil the requirements and expectations of the Board of Broadcast Governors; but if the C.T.V. network can do some of the programs of quality that I have seen, without any public money, then the C.B.C. could be encouraged to do a great deal more and better public affairs programming in the future, not programming that will either be sloughed off on limited networks, as has been the case with some of the better programing this year, or be given what might be called very poor time.

Public affairs programming by its very nature should be available to the widest audience possible, and when programs are treated in a cavalier fashion and shown either late at night or some time during the day when there

is only a small audience, this does not serve the Canadian people well.

Last year when we discussed the question of public affairs and when we dealt with the estimates for the maintenance of public archives I was concerned about the fact that the C.B.C. for some years now has been producing a great deal of quality material which, after its initial showing, is no longer available to the Canadian people. It seems to me there should be a more creative use of the thousands of feet of good film that is presently either lost or locked away in some dark cupboard somewhere. Years ago we established the National Film Board, with regional depots, for a lending film service. It seems to me that if some co-ordination could be established, much good C.B.C. footage could be made available for private showings, for discussion groups and for all kinds of local education through the National Film Board offices. I am also disturbed at the fact that a great deal of good footage has been seemingly lost or mislaid through inadequate archive facilities, both at the C.B.C. and at other archival institutions.

I should like to say a few words about a couple of very parochial issues. First of all I will refer to the problem of the national news. It seems that most of us in eastern Canada are reduced to getting an hour less of sleep per night as long as the national newscast is televised at 12 midnight rather than 11 p.m., which is generally the case in central Canada. I am reminded that in Newfoundland the news is broadcast at 12.30 a.m. I do not think it is fair to deprive a good portion of the Canadian people of an hour's sleep at night. We all need our sleep these days because of the many problems we face. I heard that this matter has been considered, but this has not been done forcefully enough because I believe that the technical problems are not all that great. I would hope that one of the good announcements the C.B.C. would make for this fall is that the national news will be made available to eastern Canada at eleven o'clock.

Miss LaMarsh: That would be broadcast at five or six o'clock in British Columbia.

Mr. MacDonald (Prince): There is an earlier newscast which of course is not available to much of eastern Canada, simply because it is not carried on C.B.C. affiliates.

Finally, I should like to discuss the matter of the second service. Apparently we have been given the green light to consider the possibility of a second service all across this country, and I hope that this also will be given a good deal of encouragement. I think there is reason to believe that at present there is a possibility, without hurting the public broadcasting system, of making available a second service in all parts of this country which are presently being serviced by television. I know that in my own area there is considerable concern in this regard, because of the early allocation of channels, but this is a technical problem which basically can be overcome. I would urge the minister to pursue with greater expediency the matter of the second service and the opportunities it would afford to the maritime region. In some places indeed there is not so much concern now about a second service because they are seeking a third service and, in some very fortunate areas, a fourth. I think greater attention should be given to the establishment of at least two services across the country in a day and age when it is technically possible.

In closing let me say again that I think the minister has attempted, through a very complex series of responsibilities, to be effective in administering her portfolio, and I should like to commend her in particular for the way in which she has handled effectively the kind of communications that have taken place between this house and the Canadian Broadcasting Corporation. I should like to go on record as supporting what the hon. member for Royal said this afternoon, that it would be a terrible thing if we ever got involved in this place in debating details of program policy. I think our job is to outline the principles on which a public broadcasting system should operate, and we should get involved as little as possible in the day to day operations of this important national service.

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

[*Translation*]

Mr. MacDonald (Prince): Yes.

Mr. Choquette: In the first place, I want to thank him of his kind words about me; I have always felt that he was a real gentleman.

The question which I should like to put to the hon. member for Prince (Mr. MacDonald), a question which the hon. member for Royal (Mr. Fairweather) has favourably answered, is as follows: Would he advocate the setting up throughout large English-speaking areas of the country of relay stations, that is repeaters

so that the programming of the French network of the C.B.C. could be heard everywhere in English-speaking Canada?

[*English*]

Mr. MacDonald (Prince): It appears that the hon. member for Lotbinière is doing a canvass of this side of the house. I suppose he will soon have a petition that he will present to some responsible authority.

In essence I agree with his proposal, because I do think it will do a great deal to enhance understanding throughout the country, to make it available. In further reply to his question, may I say that I have been disturbed by the fact that certain areas in this country that are French speaking—I refer in particular to parts of my own constituency —are not being serviced now by the French network.

• (8:50 p.m.)

The only thing I would say with regard to this proposal about the repeater station possibility is that I would like to think that as French speaking communication, radio and television, becomes widespread across the country it would be possible for different French speaking regions to participate. I think part of our problem in this country today is that we equate, if you like, the French problem with the Quebec problem. I think all of us, perhaps particularly those who are concerned about the future of Quebec and its relationship with the country, should be concerned with the French speaking minority that have maintained their identity through these hundreds of years in parts of the country which have not yet received equal recognition. I hope the hon. member for Lotbinière, and others from his area, will be as concerned as I am that we give them the opportunity to be fully identified as being part of this country of Canada.

Mr. Allmand: I want to take a very few minutes to ask the minister a question. This afternoon I do not believe the minister mentioned the report on election expenses by Alphonse Barbeau. The five by-elections yesterday brought to us clearly the need for implementing some legislation based on that report. I merely wanted to ask the minister if her department had any plan to put legislation before this house based on that report?

Miss LaMarsh: Perhaps I might answer that question. It may be recalled that on October 25 last, I think it was, the report of the election expenses committee was referred to the committee on privileges and elections of this house. So far as I am aware this committee did not have more than an organizational meeting. I expect the same matter will be referred again to that committee for discussion. I know the government is anxious to move in this field, but it was thought, notwithstanding the fact that the first committee was made up of practical politicians, sitting politicians should have an opportunity to discuss it before legislation was brought forward.

So far as I am aware, it is my colleague the Minister of Transport, who has always had a particular interest in the matter of election expenses, who will have the primary responsibility for this matter, notwithstanding the fact that initially the committee was set up under the aegis of my predecessor.

If I may answer other questions, perhaps we would save some of the time of the committee, although some hon. members may wish to mention these matters later. The hon. member for Prince mentioned the fact that no reference had been made to the Canadian Film Development Corporation, legislation for which was passed a few months ago. It will be noted that there is no item in the estimates for this corporation. The fund of $10 million was set up under the legislation. We have been looking for space for the corporation, and I have every expectation it will be in business and prepared to accept applications no later than this fall.

In so far as satellites are concerned, which is a matter close to my own heart, I think I should say that this whole question is much larger than merely broadcasting, which is my responsibility. Indeed, the first responsibility is that of the transport department. There has been an interdepartmental committee looking into the matter. I think all hon. members know that Mr. Gilmore, the vice president of the C.B.C., has taken a special interest in this question. Indeed, members may have noted a report of a speech by the president of the corporation, Mr. Ouimet, in this morning's press on the kind of future there will be as a result of satellites, not just in the broadcasting field but in all communications fields.

It is presently under consideration by the government that probably a one-man special body should be set up to advise the government on the short, interim and long term problems with respect to satellites. It is my understanding that this officer, consultant or royal commissioner, whatever he may turn out to be, will be reporting to the Minister of

Transport. This officer will be presenting a wider view than simply broadcasting.

In so far as educational television is concerned, there is no item, as will be noted, in these estimates. There was an item for $750,000 in last year's supplementary estimates. This item was withdrawn. I said at that time, on the only opportunity I had to speak to the house about it—

Mr. Bell (Carleton): It was never withdrawn; it was not proceeded with.

Miss LaMarsh: As a matter of fact, it was passed inadvertently by the committee and it was withdrawn from passage. As I have said repeatedly, the presentation of that unusual item was by virtue of an undertaking to the provinces that we would do what we could to speed the passage of this program, since we felt that we could not introduce legislation incorporating the government's views on educational television—not on programming but on the vehicle—and have it passed by the house before late 1967. This would mean the loss of another year to the provinces, who would be ready by the early fall of 1967. We, in the best of faith, did what we could. But the house was not prepared to deal with the matter in that way.

I never made any objection to that at all. I simply reported to the provinces that the house was not prepared to deal with it on that basis. Accordingly, a bill will be brought forward as part of the whole broadcasting package, but a separate bill on educational television, with which the house will be asked to deal. There being no item in the estimates for this, I did not think it was appropriate to deal with it.

Mr. Bell (Carleton): Why not bring it in immediately?

Miss LaMarsh: I cannot do that because there are a number of other items with which we have to deal.

Mr. Bell (Carleton): If it is ready, it could be put on the order paper.

Miss LaMarsh: It is considered to be far more important by the government, which after all has the responsibility for bringing forward legislation, to bring forward the major bill on the whole field of broadcasting which has been under study for many years now.

Mr. Bell (Carleton): The fact is it is not ready, and that is why it has not been brought forward.

Miss LaMarsh: Obviously, the bill was not ready when I prepared and brought in the supplementary estimates.

Mr. Bell (Carleton): It is still not ready.

Miss LaMarsh: My hon. friend is speculating. With respect to televising the proceedings of the house I might also tell hon. members that, regardless of my own sympathies, that we should at least have a trial period of broadcasting committees, the committee on broadcasting did ask that this matter be referred to it within the provisions of what had been referred to them last session. I am informed, however, that it is not within the responsibility of the broadcasting committee to deal with the matter, but it is the responsibility of the house and Mr. Speaker. Accordingly, the will of the house would have to be determined and made known through the Chair. Notwithstanding how I feel about the proposal, hon. members should not address their questions to me on my estimates but to the Speaker on his estimates.

There is one other item to which I should like to make reference, although I could make reference to a lot more. I feel that the speech delivered by the hon. member for Prince was a very useful one and he had some very valid points. One of the things he mentioned was film archives for the C.B.C. He should be aware that for some time now we have been considering the question of film archives for all government agencies, with respect to finding a central depository for them, so that they may be available in the future.

In so far as the time of the national news is concerned, I would be pleased to pass on the information to the C.B.C.

Mr. Fairweather: It has been passed on many times, but pass it on again.

Miss LaMarsh: Perhaps the people on the west coast would not be very keen to have their news delivered to them at the supper hour.

Mr. Fairweather: That is not the problem.

Miss LaMarsh: I should like to hear from some of the west coast members. Perhaps Mr. Ouimet, who is in the gallery, will be aware of the representation.

One other agency with which I did not deal was the Canada Council. Since an announcement was made some months ago concerning the increased grant to $16.9 million, I did not see any reason for taking the time of the house to explain that again.

Mr. Herridge: Mr. Chairman, I should like to make a very brief contribution because I know members—

Miss LaMarsh: Pardon me, I just want to add one piece of information which has been sent to me from the gallery. I am informed that a maritimes pre-release of the national news is planned for the fall season of 1968.

Mr. Fairweather: We will be two years older by then.

• (9:00 p.m.)

Mr. Herridge: Mr. Chairman, I am in the habit of writing to the minister to give her my views on policy on occasion, and to bring to her attention any matters of direct concern to my constituents. Therefore I will not deal with any of these matters this evening.

I listened with great interest to the speech of the charming member for Prince. I agree with a considerable amount of what he said, but when he suggested that we should have television installed in our offices so that we could sit in our offices and watch the proceedings in this house, and witness the proceedings in parliamentary committees, I must say he is too much of a swinger for this old fashioned socialist.

Mr. MacDonald (Prince): Mr. Chairman, if I may rise on a point of privilege to clarify what I said, I did not think I went as far as suggesting television in our offices. I do not think I am yet that much of a swinger, and I doubt whether that would be necessary. Basically I was talking about some type of radio connection, some electronic connection both with this house and with committees. I think that would be a good deal less expensive and just as suitable for the use I had in mind.

Mr. Fairweather: We would not have to look at you then, Bert—just listen to you.

Mr. Herridge: The hon. member would not have that experience, except possibly when I was in this house.

Anyway, Mr. Chairman, there are two reasons I object to this proposal. First of all, there is the cost involved. Second, do you think that members would come down to the house to listen to debates if they could turn on a radio and listen to what is going on from their offices, or listen in to committees? Personally I think that this is a very impractical suggestion, though I realize it was put forward in the best spirit and with the best of intentions. I think that when the hon. member has been here a few more years he will have mellowed in that respect, and realize that this house cannot function unless there is a physical presence here.

I just want to congratulate the minister for her detailed attention to any matters that I have brought to her notice with respect to policy and matters that concern my constituency. I must say I like writing letters to the minister because I always get such a delightful reply.

I also appreciate the work of her immediate office staff and also the work of her parliamentary secretary, who I think pays strict attention to his job. I notice that when it comes to ten o'clock he is always here to deal with any questions concerning the minister's department, if she is not able to be present.

May I also compliment the minister on her work in connection with our centenary. From correspondence and conversations I have had with visitors to this house, from visiting Expo and other events in Canada, I have had nothing but compliments as far as the minister is concerned. She seems to be the ideal centennial leader in this country at this time. I am not saying that to be facetious; I have heard this said over and over again and I think it is only fair to repeat it here.

I also want to express my appreciation for the work being done by the centennial commission. This is a job that requires teamwork from top to bottom, whether it is work connected with Expo or with activities throughout the country. I am very pleased to say that as far as I am concerned I think this work has been very successful to date. I wish all those connected with our centennial celebrations in this country, whether at the top, the provincial or municipal level, every success in everything they undertake till this year is ended.

As far as the C.B.C. is concerned, Mr. Chairman, as I have said I usually bring my complaints to the minister in writing. However, I want to say how much I appreciate the courtesy of the officials of the C.B.C., and also Mr. Warner's services, who answers inquiries from members of parliament, obtains scripts, and things of that sort. I have found him most helpful indeed.

For years I have suggested that it would be a good policy for the C.B.C. whenever it faces an engineering problem to let its senior officials and engineers visit regions which

have other problems related to television, radio, and so on, meet the people in the area and inform them about what the policy of the C.B.C. is and what they are trying to accomplish in the particular area concerned.

Quite recently a Dr. Caple from Vancouver went to the Trail area to discuss with the people there the circumstances relating to television, low-power relay stations, and things of that sort, which they appreciated very much. I suggest that this policy should be continued and extended. There is nothing like getting the participation of the people at the local level, Mr. Chairman, particularly with respect to the activities of the federal government. I have made the same suggestion to other departments, and I have found that wherever any department of government is willing, shall I say, to consult the local people about any problem and to invite suggestions, the services provided to that community benefit as a result.

I should also like to say how much I appreciate the services of Dr. Lamb and his staff in the archives, which I sometimes have occasion to visit. I am very interested in history, particularly the history of my own region, and I do appreciate the co-operation that I have received from this gentleman and also the lady staff. I noticed recently with considerable pleasure that the "Lamb" in the archives became a lion when it came to the act to establish a corporation for the administration of the National Museums of Canada, and I can well understand it. I think that before our museums are administered by a corporation as suggested in this bill, this matter will require further consideration.

I am not going to say anything about the National Museum at this time; I will save my remarks until we are discussing the bill that is on the order paper, which deals with the establishment of a corporation for the administration of the National Museum of Canada. I want to make some comments at that time about the organization of staff for the museum. All I can say at the moment is that I hope something will be done in the very near future to commence the construction of the building that is so necessary to house the National Museum and the work that is undertaken by its staff.

I have had, Mr. Chairman, a few complaints about the purchase of pictures by the Canada Council. I find these complaints usually come from middle aged ladies who were brought up at the same time as I was and have similar viewpoints. However, I do have a Victorian point of view when it comes to some questions, and although I agreed, generally speaking, with the remarks of the first speaker for the Progressive Conservative party this afternoon, I could not go along altogether with one or two of his suggestions with respect to programming. He is a bit of a swinger in that respect—

Mr. Fairweather: Thank you very much.

Mr. Herridge: —and it would be rather unusual for an old socialist to find himself on the right of the Conservatives when it comes to these swinging programs. Anyway, Mr. Chairman, I suppose we will have to put up with this sort of thing for the present.

I have been asked to bring to the attention of the minister the fact that there has been organized in Canada The Heraldry Society of Canada. The honorary president of this society is Right Hon. Vincent Massey, P.C., C.H. One of the honorary vice presidents is the hon. member for Kootenay West, and there are many other much more distinguished personages.

• (9:10 p.m.)

I bring this to the minister's attention because in Great Britain the College of Heralds comes under the secretary of state. I trust she will take an interest in this organization because it may call on her in the not too distant future about some of its activities. The first speaker I think for the Progressive Conservative party, the hon. member for Queens—one of the more conservative members of the Progressive Conservative party—said that civilization is based on tradition and symbols. With that I agree wholeheartedly.

The society of which I speak has been formed by a group of people interested in the subject and, shall I say, the art and science of heraldry. The society's aims and objectives are outlined in its constitution. Incidentally, various municipalities in Canada at present are anxious to have a coat of arms designed for them. I might say that the parliamentary secretary to the Prime Minister, the minister for Leeds—oh, I beg your pardon—the hon. member for Leeds, is also very interested in this question.

I just mention this because I was asked to bring it to the minister's attention. As I say, in Great Britain the subject comes directly under the secretary of state. We trust that the hon. lady will take an interest in the

objects of society and its attempts under Canadian conditions to carry on the traditions and symbols which have been so representative in Great Britain to date.

Mr. Sherman: I wish to join those who have extended congratulations to the minister and to the department for which she is responsible. I congratulate her for the great events taking place in this country to mark our one hundredth birthday of confederation.

The centennial commission is working wonders for Canadianism; it is doing a tremendous job in Canada. That we may all concede. It gives me great pleasure to congratulate the minister for such exciting undertakings as the centennial pageants of all kinds including the train, caravans, canoe races and Expo as well as all those other exercises and pageants, great and small, in this country.

I said some time ago in this chamber and made the same point in a recent news letter that I distributed in my constituency that in my view the events taking place in connection with the centenary of confederation celebrations are making Canada the most exciting and dynamic country in the western world. I repeat that here, unequivocally. Every day, as I see young people and the not so young in my constituency and elsewhere, I am reminded of the importance and the impact of these confederation events and of the impact they are having on the souls of Canadians, regardless of their ethnic and racial backgrounds

In talking, however, on the estimates of the Department of the Secretary of State and particularly the estimates of the Canadian Broadcasting Corporation my remarks will not be so laudatory or pleasant. I did not exactly come to bury Caesar; but neither did I come to praise him. At this juncture I cannot join in the paean of praise, though I see signs that C.B.C. programs have improved. I wish to second something the hon. member for Prince mentioned, when speaking on the subject. He anticipated what I was going to say and said it more eloquently than I could have said it. He referred to the estimates for the C.B.C. this year being increased by an amount of $29.5 million to a total of something like $143.5 million—with little or no explanation of where the money is going. Tonight, tomorrow, the next day and the next day—until an answer is given—millions of Canadian taxpayers will be asking where that $143 million for the C.B.C. is going.

With costs and taxes at their present levels, with the average wage earner and taxpayer caught in the squeeze in which he is caught, I do not think we can afford to spend $143 million this year on the C.B.C.

Certainly, the Canadian taxpayer cannot afford to have that amount spent, sight unseen, without knowing where it is going.

I suggest that the crucial aspect of passing these estimates lies ahead of us. It is not enough to place an item in the estimates and expect passage in this chamber without questions being asked. Questions will be asked and I doubt if the estimates, or this particular item, will pass until they are answered to the satisfaction of many hon. members and the people at home whom we represent.

I think the C.B.C. has done and continues to do constructive work in the field of English and French relations in Canada—in other words, in the field of Canadian unity. I salute the efforts that the corporation has made under the wise counsel and leadership of its distinguished president in this direction. The efforts are mighty and many. It strikes me, though, that much as the corporation is obviously interested in improving Canadian unity and in improving relations between the peoples and communities that make Canada a nation, it is not interested and in fact is inclined to be distinterested in bringing together the communities on the North American continent—and here I speak of the great community of the United States and our community of Canada. If, in fact, many public affairs programs of the C.B.C. are not actually divisive—that is, if they do not actually tend to divide Canada and the United States—there at least is no effort in many of these programs to improve understanding between our communities. There is no effort to enhance and enlarge social and intellectual intercourse between these great societies and to bring about greater understanding between us.

Without exaggerating, it can be said that many C.B.C. public affairs programs seem to labour under the delusion that to establish our Canadian manhood we must be anti-United States. The corporation thinks that we must talk and sound as if we in this country do not like the United States. I do not subscribe to that school, Mr. Chairman. I am pro-Canadian, but I am pro-United States also, and I am pro-English and pro-French. I believe that many of the less responsible public affairs programs put out by the C.B.C. in the past two years have in them the seeds of potential harm, and may well destroy friendly Canadian and United States relations. The

philosophy behind such programs may be the result of omission rather than commission. But if it is a deliberate philosophy, it is a puny one, sir. It is a philosophy which is unbecoming to the C.B.C. or to Canada or to any part of this great nation.

• (9:20 p.m.)

I do not believe the United States is any more correct in many of the things it does than are any other of the societies on the face of this earth. At the same time, the fact is that we in North America live with, toil with and work for a better world alongside the people of the United States in a far greater measure of involvement than any other society. Perhaps our two societies are intermingled and involved in this manner to a far greater degree than are any other two societies on the face of the earth. It is unrealistic at best, and destructive at worst, to foster a cult of dislike, disharmony, discredit and unfounded enmity toward that society to our south to which we are so closely related in blood, in economics, in philosophy, in origin and in the goals we set ourselves.

I think the C.B.C. probably has a greater responsibility than almost any other broadcasting network in the world in terms of its influence upon public opinion. I doubt whether this statement is much of an exaggeration if, indeed, it is an exaggeration at all. There are few societies I can think of, looking back on my experience as a journalist and a broadcaster before I came to this house, which have as great a susceptibility to one medium of communication as the Canadian society has to the C.B.C. media. Because of the disparate nature of our social situation in Canada, because of the great distances which separate us, because of the geographic divisions which are intensified by differing economic ambitions, because of regional, racial and ethnic differences, because of religious differences, because of the degree to which our population is spread out along one thin line across 3,500 miles of territory, and then sparsely dotted across the rest of a country which covers almost four billion square miles, the C.B.C., supported by public funds and having the prestige which comes from its title, its history, its good fortune in being first on the scene, and through some of the excellent work it has done during the last quarter of a century, has an impact on Canadian society which probably is unrivalled by any other broadcasting network in any other country in the world.

This being so, it behooves the executives of the corporation, particularly those who are responsible for programming, and for public affairs programming in particular, to exercise extreme caution and the most extreme conscientiousness and responsibility in the area of program pronouncements, directions and themes. I wonder whether some of those with authority over public affairs programming at the C.B.C. understand this awesome responsibility and, if they do, whether they recharge themselves every day to live up to it properly.

The hon. member for Okanagan-Revelstoke spoke this afternoon with some eloquence on the power of television. He gave us a profound description of the impact of television, one with which I agree totally. I do not altogether agree with the essence of his argument in connection with the televising of important international and public events, but that is irrelevant to the point I am making at the moment. I do agree 100 per cent with what I have called his profound description of the impact of television.

The hon. member was asked to give his assessment of the impact of print journalism as compared with television. He answered, correctly I believe, to the effect that there was really no comparison in terms of immediate impact and influence between electronic journalism and print journalism. I have never been able to agree with the old dictum that a picture is worth a thousand words, because it is too general a statement. Certainly no picture is worth a Shakespeare sonnet. No picture is worth the Gettysburg address. No picture is worth certain songs or scriptural texts that a lot of us can think of. But a picture, depending on the angle at which it is shot, can certainly distort a thousand words. In this sense a picture can be worth, or unworthy of, a thousand words or even a million words.

This is the danger attaching to electronic pictorial journalism. Television journalists must be studiously and conscientiously aware at all times of the danger of distortion, of imbalance, which can arise from misuse of the potent, awesome weapon which they hold in their hands as their journalistic tool, one which few if any of us understand at this point in the development of our society and electronic technology.

What is crucial about electronic journalism is the editing; and the question which counts is: What winds up on the cutting floor? The question which expresses our concern for the journalistic welfare of the society in which we live, both nationally and internationally, is: What is edited out of a television news story? The hon. member for Burin-Burgeo making his maiden speech in this house two or three weeks ago spoke just as eloquently

as did the hon. member for Okanagan-Revelstoke today, except that he took a somewhat different line, when he described to members of this chamber the immense and as yet uncomprehended power of television. There were many frightening suggestions and implications in his remarks, which gave all of us cause to stop and ponder the direction in which we are moving in terms of electronic journalism. He stressed the tremendous impact and influence of the medium, and, more important still, he pointed out that we do not yet understand how to handle it properly.

I have had some stern things to say about electronic journalism as far as the C.B.C. is concerned, particularly in the field of public affairs programming. Since returning from Viet Nam and other parts of southeast Asia a few weeks ago I have spoken publicly in the Winnipeg area on the subject of the agonizing war there and its coverage. I have criticized the C.B.C., among others, for what I feel has been an imbalanced reporting job. Understandably, I have elicited some reaction, a good deal of which has been highly vocal. Some of my critics, some of those who feel I have spoken unreasonably and perhaps irresponsibly, have suggested that it is unfair to criticize C.B.C. television for shortcomings of this nature since C.B.C. television is doing such a tremendous job in the field of school broadcasts and educational programming. I concede the point, but as an argument it does not wash.

• (9:30 p.m.)

What these people fail to realize, or at least to concede, is that all television is educational. All television is educational television. Some of it is good education, and some of it is frightfully poor education. What I have asked for in the public pronouncements I have made on this subject is balance in C.B.C. public affairs programming. I am not a part owner of any newspaper, so I have no particular justification for criticizing the jobs that certain newspapers may do in the reporting field; but I am a part owner of the C.B.C, as is everybody in this chamber, everybody in the galleries, and everybody across the country and because of that we have at least the right to demand excellence and balance in public affairs reporting.

A few months ago there was considerable controversy over the interview conducted by C.B.C. one Sunday night with Mr. von Thadden of the Republic of Germany. There was much controversy over whether the interview should be broadcast by the C.B.C., and indeed over whether he should be allowed into the country. I believe the controversy should have started after the interview, not before it. The interview did more harm than good because of the manner in which it was conducted. It was frightfully badly handled. As a news interview it bordered on the destructive.

The people who handled the interview for the C.B.C approached it as they would have approached an interview with Miss America. What people in the C.B.C. and all other electronic journalistic media must remember, when they are talking to persons who are forming and helping create public opinion throughout the world, helping to shape public affairs at any level and in any nation, is that this is the big league. They are dealing with people who are highly qualified, cunning, and at least as intelligent as those who are conducting the interviews, if not far more intelligent.

When dealing with a subject as explosive and dangerous as the von Thadden interview, the interviewer should be ready for his subject. I would have no objection to having an interview with Adolf Hitler on C.B.C. television if it were handled properly and the interviewer were properly prepared; but the von Thadden interview was badly handled and left people with an entirely wrong impression, not only of the man but of the force of the issue with which they were concerned in that particular television episode. I thought it was distinctly bad journalism.

I think my views are shared by a great many Canadians when I speak of the imbalance, of the inequality, of the naïvety and of the ill-preparedness of a good many of the C.B.C public affairs programs. I had considerable mail and comment on the subject from people in all parts of Canada after I got back from the Far East and made my first statements on the subject of Viet Nam. Lest people think I am alone in this matter, I will remind hon. members that the hon. member for Leeds made a very well documented and far-reaching speech on this subject in Winnipeg on December 8, 1966. He addressed the Canadian Club in Winnipeg on the very subject which I am discussing, and pointed out the imbalance and the inequality in the C.B.C.'s approach to political issues of the day in this country and throughout the world. I do not intend to quote from his speech; most members of the committee are probably familiar with the address he delivered. It was one of the best received and most thoroughly documented pronouncements on this subject that

to my knowledge has been made in the history of television in Canada.

In any event, he, I and others feel it necessary to speak out on this issue, not just for ourselves but for thousands of Canadians who also feel concerned and who would like to speak if they had the opportunity. A few moments ago I mentioned Viet Nam, that agonizing war and the news coverage of it. I do not know who is right in Viet Nam or who is wrong, no more than does anybody in this chamber, or for that matter anybody in the world. It is an agony for all of us, and all of us devoutly wish it could be ended tonight.

However, when I say I do not know who is right I still reserve the right to form my opinions on the basis of balanced and objective reporting, and I do not want to be brainwashed into a particular point of view by the C.B.C. Although I may not know who is right on that issue I do know that the C.B.C is not right on it, and that from March, 1965 to March, 1967 by its approach to the Viet Nam issue and American involvement in Viet Nam it has generated much more heat than light.

It was this issue more than any other that really led me to the conclusion that there has been a serious imbalance in C.B.C. public affairs programming that has led to an anti-Americanism which has not escaped everybody's notice. The question of censorship by omission is the question that arises in an issue such as this one. It is not so much what is done as what is not done.

In connection with the Viet Nam war a number of questions have been covered quite thoroughly by the C.B.C., but a number of others have been ignored altogether. The C.B.C., for examples, has given a lot of coverage to the trend on the part of some young Americans to come to Canada to escape the United States draft and the war. I do not care to take a stand on that question. It is a newsworthy item and deserves some of the documentary attention it has received. But on the basis of the best figures I have been able to get from the United States defence department and Canadian immigration authorities, the ratio between young Canadians going to the United States to enlist in the marines and fight in Viet Nam and young Americans coming to Canada to escape the draft is nine to one.

Some 2,700 Canadians have enlisted in the United States marines to fight in Viet Nam. Approximately 300 American youths have come to Canada to escape the draft. I do not wish to argue which is right, but if we are paying $143 million to the C.B.C., of which all of us own a part, and when we consider that in many communities the C.B.C. is the only source of major news, we have a right to ask for balanced reporting on an issue such as this. It is a peripheral issue to the war itself, but from the stories which the C.B.C. broadcasts we get the impression that the United States is totally wrong and that the people on the side of the Hanoi régime are totally right. I suggest no one can make that clear cut definition, least of all the C.B.C It should cover both sides of the story, and should cover both sides of the peripheral questions such as the ratio I have quoted with regard to Americans coming to Canada to escape the draft, and Canadians enlisting in the United States forces.

• (9:40 p.m.)

The hon. member for Royal in his eloquent address this afternoon said his theme was to stop denigrating the good. That theme he applied to the C.B.C. programming and the efforts it is making to unite this country. I suggest this theme can be equally applied to other aspects of our national life, especially the aspect of our important relationship with our best friend in the world, the United States. I say that theme should be applied equally to this question. I say, in this regard let us stop denigrating the good. I am not opposed to criticism any more than anyone else in this house. Criticism is all right and in fact is desirable. But I am opposed to distortion and censorship by omission. It seems to me this is the unfortunate pitfall in which the C.B.C. people have mired themselves so far as certain crucial, national and international issues are concerned, among them the issue of American involvement abroad.

For example, I am anxiously awaiting a C.B.C. documentary on a subject the hon. member for Medicine Hat raised earlier. A few days ago he spoke about the charitable job that some United States military and civilian citizens had done for the victims of the recent disastrous blizzard which occurred in southern Alberta. I know all Canadians would like to see the United States military and civilian people in action in helping those beleaguered people. I will welcome that program when it is made available to us.

Mr. Cowan: Don't hold your breath.

Mr. Sherman: My hon. friend from across the way suggests I should not hold my breath. I think that is a valid admonition and one in which I concur.

I have my eye on the clock because I know I am reaching the end of my time. In the one or two minutes remaining I should like to say I think there has been some recent improvement in C.B.C. public affairs programming, so far as slant and cant is concerned. I should like to think this is because some members and public figures, and I do not include myself, have spoken out, making it known to C.B.C. officials that they are not duped or fooled by this kind of imbalanced reporting, and that they are concerned with the objectivity of the corporation's reporting job. There has been some improvement. I earnestly hope that we, as the representatives of the beleaguered taxpayers who are considering granting the C.B.C. some $140 million, can be assured of continued improvement in this direction. I know that hon. members will await anxiously and excitedly with me for signs of that continuation.

Mr. Choquette: May I ask the hon. member a question?

Mr. Sherman: You certainly may if I have the permission of the Chair to answer it.

Mr. Choquette: I have polled two easterners and I want to try a westerner. I will ask my question in French.

[*Translation*]

Would the hon. member be in favour of the construction by the C.B.C. of relay stations, "repeater stations", to rebroadcast French C.B.C. programs to all large English-speaking centres in Canada?

[*English*]

Mr. Sherman: Mr. Chairman, my answer to the question of the hon. member for Lotbinière is a firm yes. I am in favour, but I should like to see improvement in public affairs programming, with the programs being made available by these relay stations to all Canadians of all languages and in all racial groups. My only fear is that some of the one-sided public affairs programs of the C.B.C. may be made available to those who have not already had their thinking distorted by them.

Mr. Grafftey: Are you going to poll your own caucus? Are you going to poll Cowan and others?

Mr. Nesbitt: Mr. Chairman, this evening—

Mr. Mackasey: We have a new leader of the Tory party.

[Mr. Sherman.]

The Chairman: Order, please. Perhaps we should allow the hon. member for Oxford to proceed with his remarks.

Mr. Nesbitt: This evening I should like to make some remarks about the Canadian Broadcasting Corporation, although I intend to reserve most of them until we reach a consideration of specific items. Let me say that I think it unfortunate that some members seem to view the C.B.C. as a variety of the sacred cow. They take exception to any member of the house who offers any criticism. I have criticized the Canadian Broadcasting Corporation in the past and I intend to do so again in the future. I hope my criticism will be constructive.

There is only one aspect of the C.B.C. I criticize. I am thoroughly in favour of and endorse approximately three quarters of its operations. I believe here in the house is the proper place to bring forward proper criticism, either one's own or that which has been provided by constituents or other individuals throughout the country. I think this is particularly true when the criticism is directed toward policy or the lack of it. Having made those remarks I shall reserve most of my comments about the C.B.C. until later.

It has been fashionable here and elsewhere to believe that one should never present a case on behalf of someone who allegedly has been mistreated unless that person is without the ability or facilities to defend himself or herself, as the case may be. When one presents such a case in this house the press and others naturally have some sympathy and look into the matter. If an individual happens to be of importance or prominence we generally consider he is able to fend for himself, and very seldom does a member bring such a case before this assembly.

This afternoon the hon. member for York-Humber brought such a case to the attention of his house, and I refer to his remarks in reference to Lord Thomson. I realize that Lord Thomson with his string of newspa pers is able to look after himself. That is not the particular aspect of the case which concerns me, but rather the principle. I am particularly anxious to put my remarks on the record this evening so the Secretary of State will have an opportunity to consult the law officers and give an answer tomorrow, or at some time when her estimates are being considered.

The facts surrounding the loss of Lord Thomson's Canadian citizenship have been placed before this house during the question

period and on other occasions. The government has always sloughed them off by refusing to provide an answer. Surely we should have a proper explanation from the Secretary of State on this occasion. This is a very serious matter in that a native born Canadian has been deprived of his citizenship for no other reason than that he accepted some sort of honour from another country. It is very strange that an individual can spy on his own country, betray his own country or commit murder without losing his citizenship, yet if he accepts an honorary degree or some sort of title he will lose that citizenship. This is a very dangerous precedent to set and I think the government should make very clear what is intended in this regard.

• (9:50 p.m.)

The first question I should like the Secretary of State to answer is this: Exactly on what occasions do you lose your citizenship for accepting what are known as titles? If I recall correctly, the former premier of Quebec, Mr. Lesage, received a very high title from his late majesty the King of Greece. I do not recall that he lost his citizenship.

Mr. Knowles: He lost his premiership.

Mr. Nesbitt: As the hon. member for Winnipeg North Centre said, he lost his premiership; but I do not think it was for that reason. I think this matter should be clarified. What sort of title, declaration or award is included in this policy, and in what instances does one lose citizenship for accepting these titles?

Lord Thomson was used as an example by the hon. member for York-Humber. Let us suppose Lord Thomson had accepted a title or an honorary degree from, say, the King of Sweden. I presume that Lord Thomson would in that case be stateless. Where would he go? These are questions that I think should be answered. If it is all right to accept honourary degrees or orders from monarchs such as the King of Greece—and the case of the former premier of Quebec is an example—why is it an offence to accept them from our own Queen Elizabeth? It seems very peculiar to me, and I hope the Secretary of State can explain these things. They have never been explained to date.

When this resolution—I believe it was brought forward in the form of a resolution many years ago—was drafted I should like to know whether the opinion of the law officers of the crown was sought as to whether it was valid. Since then the citizenship act has been passed. I recall—I am again speaking from memory at the moment—that there was a provision that any British subject domiciled in Canada shall not accept a title. I believe this was before the present citizenship act was passed.

I thnk this matter should be clarified so I again ask, why has Lord Thomson lost his Canadian citizenship? Is there any other reason for this? Is there any statute, order in council or anything of that nature which provides that a native born Canadian can lose his or her citizenship for accepting a foreign title? If so, I think the government should give very serious consideration to rectifying the situation. Here we have the case of a prominent man who has contributed much to Canada and has lost his citizenship for accepting a minor honour, because it really is a minor honour, from our own Queen.

This seems a very peculiar state of affairs and I think it should be clarified. In any event, Mr. Chairman, I do not know why the government should be particularly concerned with these matters. All sorts of people receive medals and orders which are really exactly the same as titles, and which I understand in many cases entitle them to be called certain things. They receive them from His Holiness, for example.

I think it is fine to receive these honours and I do not know why the government has to stick its nose in, so to speak, and concern itself with the official recognition. If a Canadian citizen should for meritorious service in some field receive an award from another country, I do not understand why it is not possible for that citizen to receive the honour and retain citizenship in this country.

There is no reason why the government should recognize these honours or titles. In the Republic of France I believe that people call themselves dukes, counts and so on, and they are described as such in the social columns. I do not believe the government of France recognizes them as such. I do not think our government should start passing out titles—I have put myself on record before in this regard—but I am glad to see that we are now granting recognition for service to Canada. But if other countries give decorations or make awards to Canadian citizens, I do not understand why those citizens should not be able to accept the honours and retain Canadian citizenship. This is none of the government's business.

I see no reason why a native born Canadian citizen should be deprived of his citizenship

for accepting an award from our own Queen. I think this matter requires some clarification. It is a very dangerous precedent to set and puts us on a very slippery slope. Why should one lose Canadian citizenship and become stateless for accepting an award from another country? I think the whole matter should be clarified. I do not expect the Secretary of State to answer this evening, because a rather technical matter is involved here, but I hope she will answer before her estimates are passed.

Mr. Knowles: Mr. Chairman, there are just one or two questions I should like to put to the Secretary of State before ten o'clock overtakes us. I should like to put them tonight because earlier this evening there was some discussion about statues. I was interested in the suggestion of the Secretary of State that we do not want a forest of statues on parliament hill.

Mr. Nesbitt: A petrified forest.

Mr. Knowles: But the question that occurred to me was a very simple one which I have pleasure in putting to the hon. lady. While we are still putting up statues, could not there be one or two to some outstanding Canadian women? I think this is very pertinent to the remarks of the Secretary of State. It seems that all the statues around the place are to be of men. I could suggest the names of certain women, but I did not rise for that purpose. I wonder if this is being considered. I am not suggesting that a statue be erected to the hon. lady herself.

Miss LaMarsh: Why not?

Mr. Knowles: Not for a while, at any rate.

Miss LaMarsh: There has been no woman prime minister.

Mr. Knowles: Do the statues have to be limited to prime ministers?

Miss LaMarsh: Up to now they have been.

Mr. Knowles: That may have been the case up to now, but is there any reason why that should continue? We have in this building the busts of two women.

Mr. Mackasey: Lili St. Cyr should be one.

Mr. Knowles: We have a bust in the hall of Agnes MacPhail, the first woman member of parliament, and one was recently erected of Hon. Ellen Fairclough, the first woman cabinet member.

[Mr. Nesbitt.]

Miss LaMarsh: And the first woman senator.

Mr. Knowles: And there is a bust on the other side of the building of the first woman senator. I am sure that in history, the arts and the professions there are outstanding women who we could recognize in this way. I hope I will not be accused of thinking only of women in my own party, but I think of Madame Therese Casgrain, who has performed many useful roles in the province of Quebec and in our national life. Other suggestions may be made, but I suggest that all the statues should not be of men.

Mr. Rapp: Ten o'clock.

Mr. Webb: Mr. Chairman, my remarks will be very, very brief and I should like to direct them to the minister, through her to the C.B.C., and especially to this government. I am very, very concerned about the millions and millions of dollars that are being spent today on compulsory bilingualism. I would ask the government and the C.B.C. not to forget the fact, and to recognize that in a recent pool held in Canada, the United States and several European countries 76 per cent of the people voted that English be the language of the world, that English should be the only universal language, and it is the language spoken at all conferences held throughout the world. I would ask the minister to recognize this fact and to bring it to the attention of her colleagues. Someone must take a stand in this regard, and take it soon.

An hon. Member: Hitler.

Mr. Webb: Never mind about Hitler. The other matter I should like to bring to the attention of the C.B.C.—

Some hon. Members: Ten o'clock.

Mr. Webb: As I say, Mr. Chairman, the other matter I should like to bring to the attention of the C.B.C.—

Some hon. Members: Ten o'clock.

• (10:00 p.m.)

Mr. Webb: —is that I hope that some day soon the hon. member for Marquette—

Some hon. Members: Ten o'clock.

Mr. Webb: Mr. Chairman, my remark will only take up about one minute.

Some hon. Members: Ten o'clock.

Mr. Webb: The other thing which I would like to bring to the attention—

Mr. Choquette: Mr. Chairman, on a question of privilege—

The Chairman: Order, please. 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. Rapp: Mr. Speaker, may I direct a question to the house leader? Can he tell us what the business for tomorrow will be?

Mr. MacEachen: Mr. Speaker, tomorrow we will begin with the second reading of an act to amend the Canadian Citizenship Act.

Mr. Bell (Carleton): Could the minister predict the business for Thursday and Friday? I think it would be a matter of convenience to the house if we had some idea of what the government proposes for the balance of the week.

Mr. MacEachen: For the remainder of the week we will be considering the estimates of the Department of National Health and Welfare and the department of the Postmaster General. I do not know which department will come first.

Mr. Bell (Carleton): Mr. Speaker, generally I think it would be a matter of great convenience to the house if we could have some days in advance an announcement of what is planned.

PROCEEDINGS ON ADJOURNMENT MOTION

A montion to adjourn the house under provisional standing order 39A deemed to have been moved.

[*Translation*]

LABOUR RELATIONS—CONFEDERATION OF NATIONAL TRADE UNIONS

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, last Friday, militants of the Confederation of National Trade Unions by the hundreds organized public demonstrations in about 15 communities of the province of Quebec against the labour policy of the central government in Ottawa which, by refusing to recognize natural negotiation units is infringing directly upon freedom of association.

These protests occurred in front of federal buildings in Sherbrooke, Asbestos, Magog, Windsor, Thetford Mines, Drummondville, Victoriaville, St. Johns, Beauharnois, Hull, Chicoutimi, Alma and in front of the C.B.C. buildings in Montreal and in Quebec city. Unless this dispute is settled immediately, it is to be expected that other demonstrations of this type will occur as well as a march on parliament by thousands of Quebec workers.

The government cannot plead ignorance of the facts, as the grievances raised by the C.N.T.U. have been well known for the last year and a half and as it has been promising a decision for more than thirteen months. But the systematic standpatism of the Pearson government is an illustration of its indecision and pusillanimity—

Some hon. Members: Oh, oh.

Mr. Allard: —which now border on dishonesty, in spite of the laughter of Quebec Liberal members, and which could seriously aggravate a conflict which has already gone too far.

The Minister of Manpower and Immigration (Mr. Marchand), as a former president of the C.N.T.U., caused a great disappointment to his former fellow workers when he proved inefficient in this regard in the cabinet and when he refused to recognize special considerations to Quebec, in all fields. The 200,000 members of the C.N.T.U. who paid him a good salary for so many years are under the strong impression that he has disowned their sacred interests to satisfy his own personal ambitions, thus supporting centralizing policies and uniform administrative standards throughout Canada.

In summary, what do thousands and thousands of Quebec workers demand? They simply want to choose their own trade union, and they refuse to be imposed upon by trade-union structures unilaterally established by the employer or its agencies, and even subjected to foreign influence. In short, it is the whole question of labour freedom which is involved, as well as some particular views of the Quebec workers who, on account of their different culture, have special needs which do not always agree with those of the great majority of workers in the nine other provinces.

Proceedings on Adjournment Motion

Therefore, Ottawa must amend the Industrial Relations Act and Bill No. C-170 to allow natural negotiation units. In addition, the president of the Canadian Labour Relations Board must be bilingual and the principle of parity labour representation must be recognized, as well as the right to vote for the president of the C.L.R.B. in case of conflict between labour unions.

Mr. Speaker, those are rightful demands based on freedom, justice and equality. I have spoken more than ten times in this house in the last 13 months. In April 1966, the cabinet set up a special committee to study those requests. Every federal member of parliament from Quebec was questioned and the great majority of them came out publicly in favour of the C.N.T.U.'s suggestions, as can be seen from the booklet entitled *Parole de député*. And I find on page 16 of that booklet that the hon. member for Verdun (Mr. Mackasey), who is getting ready to answer on behalf of the minister, agreed with the four requests of the C.N.T.U. I hope that tonight he will not disappoint that labour union.

The representatives of the C.N.T.U. came here to parliament to discuss those problems with the ministers and members. They will come back for the last time next Thursday to meet the ministers.

It is more than ever time to solve those problems before the dissatisfaction of the people reaches alarming and extensive proportions. The government should not forget the recent march of 25,000 farmers on parliament; it should get out of its ivory tower and legislate for the rights of the people and not for an undemocratic bureaucracy and sometimes unions too subserviently ruled by cosmopolitan and foreign interests.

[*English*]

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in the very few moments at my disposal I should like to comment briefly on some of the points raised by the hon. member for Sherbrooke (Mr. Allard), who has been consistent in his representations in the House of Commons on behalf of the C.N.T.U. or the C.S.N. as it is referred to in the other official language of this country. When the hon. member for Sherbrooke stated that I agreed with many aspects of the brief of the C.N.T.U. concerning their particular problems, he is accurate. I personally feel that this particular problem has dragged too long. It has been well over a year since a special committee of the cabinet was established to solve the particular problem of whether or not the C.N.T.U. has a legitimate grievance with reference to the definition of a bargaining unit.

I do agree, too, with the representations of the hon. member for Sherbrooke on the question of increased bilingualism. I am very pleased that every effort is now being made when different groups appear before the Labour Relations Board to make certain they are under no handicap, regardless of which official language they choose to use before that board. The very latest in simultaneous translation equipment is placed at the disposal of each and every person participating in these particular proceedings.

I should like however to limit my remarks at this moment because of one particular reason the hon. member has pointed out. I refer to the fact that representatives of the C.N.T.U. will meet with representatives of the cabinet here on Thursday. Anything that I may say now could be misconstrued and could build up false hopes, or dash the hopes of the very people who are coming here to meet with the cabinet committee. I do agree with the hon. member for Sherbrooke that almost 13 months have elapsed since the cabinet committee was struck, and the time has now arrived to make a decision.

• (10:10 p.m.)

In the few seconds remaining, Mr. Speaker, I should like to take issue with the hon. member for Sherbrooke concerning the salary that was paid by the C.N.T.U. to the present Minister of Manpower and Immigration before he became a member of the house. I can say from my knowledge of the C.N.T.U. and of the minister that he earned every penny he was paid for his work as head of that union, and it was due to him more than any man in Canada that the C.N.T.U. has grown to be a big, vibrant union in this country.

I do not think that the hon. member for Sherbrooke was really reflecting the present views of the leaders of that union. His criticisms of the salary that the Minister of Manpower and Immigration received when he was leader of the C.N.T.U. is unfair and unsolicited. I hope, along with other members of the house who are interested in labour, that following Thursday there might be some amicable solution to a very controversial problem.

INDUSTRY—NORTHERN ONTARIO—POSSIBLE CLASSIFICATION AS DESIGNATED AREA

Mr. David Lewis (York South): Mr. Speaker, at the adjournment one of the page

boys warned me that I would receive a telephone call from a Mr. John Teeter of the Department of Industry. I received a call from Mr. Teeter who informed me that the Minister of Industry is away, that the minister himself is anxious to deal with the question I asked and Mr. Teeter wondered whether, in view of that, I would agree to stand my question. I told him that I certainly would if I got the consent of Your Honour and of the other members of the house.

Mr. Deputy Speaker: May I suggest to the hon. member that he submit his question to the table again tomorrow, if he wishes to stand his question now.

Mr. Lewis: If Your Honour means merely submit it to the table tomorrow, I will be pleased to do so.

Mr. Mackasey: Mr. Speaker, I hope it will receive precedence in case other questions come up tomorrow; in other words, that it retain its position at the top of the list for Thursday, there being no evening sitting tomorrow.

Mr. Lewis: I appreciate that. I understand that the Minister of Industry will be here on Thursday, so I will bring the matter up again at that time.

Mr. Deputy Speaker: It is understood that the question listed for today by the hon. member for York South will stand over till tomorrow, and that it will be included in the adjournment proceedings Thursday. Is it agreed?

Some hon. Members: Agreed.

Mr. Choquette: We cannot make any agreement tonight; the house is adjourned.

Motion agreed to and the house adjourned at 10.15 p.m.

HOUSE OF COMMONS

Wednesday, May 31, 1967

The house met at 2.30 p.m.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY— ANNOUNCEMENT OF REASSESSMENT OF DESIGN

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I have a brief statement to make concerning the Northumberland strait crossing.

The department has completed the review of the tenders submitted for the first section of the Northumberland crossing. These tenders covered the construction of approximately two miles of causeway, extending from the New Brunswick shore and in a relatively shallow section of the crossing.

All tenders have been carefully analysed. The prices quoted on particular components such as the concrete structure and durable rock are very much higher than anticipated. This wide gap between the estimates and the quotations received indicates that the whole project, as originally designed, would cost a great deal more than anticipated.

For this reason the government has decided not to accept any of the tenders submitted and to reassess the design of the project. One factor adding heavily to the cost of the present design is the inclusion of rails on the crossing. The design of a crossing combining causeway, bridge and tunnel sections was largely determined by the desire to provide both highway and rail transportation on the nine mile link between Prince Edward Island and the mainland. Such a design could be greatly simplified by leaving rails off the crossing and continuing to provide rail service by ferry.

With the elimination of rail service all elements of the crossing could be changed. For example, on the causeway portion it will be desirable to re-examine the width, the crest elevation, and the need for the concrete superstructure originally contemplated.

• (2:40 p.m.)

On the bridge portion the double deck structure designed to carry the two modes of transportation would no longer be required. The reduced loading in providing for highway traffic only permits consideration of longer spans and fewer pier elements. The design to provide for marine traffic through the crossing would be affected not only because of simplified requirements, but also because of the removal of the controlling railway grades. With freedom to work to the higher permissible highway grades, consideration could be given to a high level bridge section for total free navigation, a review of the tunnel proposal with revised grades and ventilation requirements, and a short high level highway bridge over a lock. These reviews of design will affect the costs of both bridges and causeway and will permit a reassessment of the desirable lengths of each type of structure relative to the varying depths of water.

Before taking the decision not to accept the tenders submitted, the Minister of Transport and I met with Premier Campbell of Prince Edward Island and explained to him the considerations involved in this decision. At his request the government has agreed, in its reassessment of design, to examine whether a simplified method of including rails on the crossing would be practicable. It was made clear to the premier that whether or not a decision was finally made to provide rails on the crossing, the government of Canada recognizes that there is an obligation to provide efficient rail service to Prince Edward Island so long as there is any effective demand for such service, and the government has every intention of carrying out that obligation, regardless of the method by which rail cars are transported from the island to the mainland.

Even if a tender award were made now on the basis of bids received for the New Brunswick causeway section, by the time mobilization and preparation of the quarries were completed the progress on actual crossing construction during the 1967 construction season may be more than offset by the improved rate of production in subsequent years consequent on a simplified design. While it is anticipated that the redesign will take several months, this will not necessarily delay completion of the project.

I would like to conclude by reasserting the government's intention to continue with this project. I might add that the causeway approach road on Prince Edward Island will

soon be completed, and tenders for construction of a highway interchange at Albany, P.E.I., are expected to be called this summer.

Hon. J. A. MacLean (Queens): Mr. Speaker, the people of Prince Edward Island will learn of the minister's statement with some apprehension. Although the minister has expressed some hope that the final completion date might still be met, there will be some delay. There is some consolation, of course, in the minister's avowed determination to keep on with the construction of this very important work, because there has been a fear that the project might be dropped entirely.

The possible elimination of rail service from this causeway would have a very important economic effect on Prince Edward Island. I am somewhat assured by the government's recognition of its obligation to continue to provide suitable rail service to Prince Edward Island by one means or another. I hope, along with Premier Campbell, that even yet some feasible way of including rail service on the causeway might be found.

There will be an onus on the government to keep the people of Prince Edward Island, of New Brunswick and indeed the people of Canada advised as fully as possible on the progress of this very important project. We are disappointed, of course, that the construction which it was anticipated would take place this year will not in fact take place. There is considerable cause for worry because of the wide gap between the estimates of costs and the quotations received. We have no guarantee that this will not continue to be the case, regardless of what the new design will be. We would like to be assured that in future estimates of costs will be as accurate as it is possible to make them.

Since I had but very brief advance information with regard to this matter, through no fault of the minister, I think I have nothing more to say at this time. But in the near future, perhaps even today, we might have some questions to ask the minister to further clarify the situation, especially with regard to the submission of Mr. McCulloch to the Department of Public Works and other matters.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, it seems to me that this matter is of sufficient importance to the people of Prince Edward Island in particular and the people of Canada in general that very soon the minister ought to call the estimates of the Department of Public Works in order that the house may have an opportunity to ascertain all the facts and have some discussion of this question.

The primary purpose in building a causeway was to enable the people of Prince Edward Island to eliminate the ferrying of rail traffic and to bring out their goods directly. The building of a causeway without adequate rail facilities in my opinion is not going to solve the problem which faces the people of Prince Edward Island. There has been some suggestion of a good deal of incompetence which resulted in the gap between the estimates of the department for the project and the bids quoted by the various construction firms. The department can be out a small percentage in its estimates but it ought not to be as far out as the minister seems to indicate.

I think for this reason the whole matter ought to be reviewed. To go to the expense of building a causeway without providing adequate rail facilities on that causeway is to do only half the job. I think the House of Commons should have an opportunity to discuss this matter before the government commits itself any further.

HOUSE OF COMMONS

PRESENCE IN GALLERIES OF U.S. TELEVISION PERFORMERS

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, with your permission I should like to draw the attention of the members of the house to the presence in the ladies' gallery of more than one hundred television performers and writers from the United States who are in Ottawa today as guests of the centennial commission. Accompanying them is Mr. Fisher, and there are some in the Speaker's gallery with Mr. Rogers of the Department of External Affairs. They are also visiting Quebec city, Montreal, Expo and Toronto. I hope all hon. members will join with me in bidding them a warm welcome.

Some hon. Members: Hear, hear.

[*Translation*]

CANADA DAY

SUBSTITUTION OF WORD "CANADA" FOR WORD "DOMINION"

Mr. Yves Forest (Stanstead) moved for leave to introduce Bill No. C-124, an act respecting Canada Day.

Some hon. Members: Explain.

Mr. Forest: Mr. Speaker, this bill, which is being reintroduced, simply tends to amend the present act under which the 1st of July is called "Dominion Day", by substituting thereto the words "Canada Day", which is a more appropriate name and more consistent with our present constitutional status.

In addition, this time the bill provides that in the future the holiday will be observed on the first Monday of July.

Motion agreed to and bill read the first time.

[English]

TERRITORIAL SEA AND FISHING ZONES ACT

ESTABLISHMENT OF STRAIGHT BASE LINES FOR BRITISH COLUMBIA COAST

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-125, to amend the Territorial Sea and Fishing Zones Act.

Some hon. Members: Explain.

Mr. Howard: Mr. Speaker, for the last three years the hon. member for Comox-Alberni, I and others in our party have attempted to obtain some declaration from the government on the establishment of straight base lines for the protection of our territorial sea and fishing zones. We have had no success. The purpose of the bill is to establish by law instead of by negotiations straight base lines for the British Columbia coasts enclosing and including Queen Charlotte sound, Hecate strait and Dixon entrance. This will permit the parliament of Canada to have a say in the location in our territorial sea and fishing zones and will prevent the government from selling us out.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CENTENNIAL TRAIN

Question No. 1—**Mr. Horner (Acadia):**

1. How many miles will the centennial train travel throughout Canada?

2. How many stops will the centennial train make in each province?

3. How many miles will the centennial train travel on each different railroad?

4. What is the name of the railway company supplying the engines for the centennial train?

5. How much did the six exhibits cost the centennial commission?

6. Is picture taking allowed inside the centennial train and, if not, for what reason?

Hon. Judy V. LaMarsh (Secretary of State): 1. The confederation train will travel 12,054 miles during 1967.

2. The confederation train will make the following number of exhibit stops in the following provinces: British Columbia, 11; Alberta, 8; Saskatchewan, 6; Manitoba, 7; Ontario, 18; Quebec, 18; Nova Scotia, 6; P.E.I., 2; New Brunswick, 2.

3. The train will travel 6,544 miles on Canadian National Railways trackage and 5,510 miles on Canadian Pacific Railway trackage.

4. The Canadian Pacific and Canadian Nationl Railways each supply one diesel for the train.

5. Final costs are not yet available. The following figures represent agreed estimates: exhibits for the six exhibit coaches, $600,000, purchase of six exhibit coaches from C.P.R. modified for exhibit purposes, $623,450.

6. Picture taking is not permitted on the train for a number of reasons. The primary one is that if the visitors were permitted to take pictures in the exhibit coaches, the flow of traffic in and out of the train would be hindered. Considering that between 10 and 11 thousand people per day have been visiting the train, the smooth flow of traffic is of prime importance to the successful operation of the train.

REQUIREMENTS FOR GOVERNMENT PARKING PERMIT

Question No. 7—**Mr. Caouette:**

What requirements must an employee meet and comply with to obtain a parking permit on government property (a) on parliament hill (b) on Confederation building grounds (c) on Supreme Court grounds?

[Translation]

Hon. G. J. McIlraith (Minister of Public Works): (a) The Department of Public Works has provided 391 parking spaces on parliament hill. Of these the parking administrator for the House of Commons has assigned 17 spaces to cabinet ministers, 106 to members of parliament and members of the press gallery. The parking administrator for the Senate has assigned 14 spaces for the use of senators. The Department of Public Works has reserved 20 spaces for the essential parking of vehicles belonging to the crown, to tradesmen or to business visitors to the hill.

The remaining 234 spaces are assigned to employees on parliament hill by the parking administrators respectively of the House of Commons, the Senate, the Privy Council and the Department of External Affairs on a priority basis having regard to the employee's seniority, the distance to his place of residence and his physical condition. (b) There are 95 parking spaces available on the roadways adjacent to the Confederation building and in the rear court yard. Of these 14 are in use for essential parking of vehicles belonging to the crown, to tradesmen or to business visitors to the building. The remaining spaces are assigned to employees by the parking administrators concerned, having regard to the employee's seniority, his physical condition, the use of his car on government business and the distance to his place of residence. (c) There are 282 parking spaces available on the roadways adjacent to the Supreme Court and in the Supreme Court garage. Of these 13 are in use by the Judges of the Supreme and Exchequer Courts, 118 are in use by crown-owned vehicles and 5 are allotted for the essential parking of business visitors to the building. The remaining spaces are assigned to employees as in (b) above.

[*English*]

PARKING FOR HOUSE OF COMMONS EMPLOYEES

Question No. 10—**Mr. Caouette:**

1. Does the federal government intend to solve soon the parking problem of House of Commons employees?

2. Are any studies under way at present with a view to solving this problem?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. Consultants are working on the design of a parking garage to be built adjacent to the west side of parliament hill. It is intended to start construction in the near future.

[*English*]

SALES BETWEEN CANADA AND U.S. UNDER DEFENCE SHARING

Question No. 30—**Mr. Starr:**

1. What were the total sales by Canada to the United States under the defence production sharing agreement?

2. What were the total sales to Canada by the United States under same?

3. How many firms participated in Canada in the production of materials for the United States under the defence production sharing agreement?

4. What are the names of these firms?

[Mr. McIlraith.]

Hon. C. M. Drury (Minister of Industry): 1. Estimated at $1,491,000,000 since the program commenced in 1959.

2. Estimated at $1,314,000,000 since the program commenced in 1959.

3. The Department of Defence Production has official records of only those purchases made directly by the United States department of defence through the Canadian Commercial Corporation. These are estimated to represent less than 40 per cent of the total annual volume of contracts received under the program, the balance comprising purchases made on a direct sub-contract basis between U.S. prime contractors and Canadian suppliers. This latter group represents several hundred large and small Canadian firms which are not compelled by law to provide production information to D.D.P., and who, in turn, may have second and third tier subcontractors for the supply of parts, materials, and services necessary to the fulfillment of their contracts with U.S. contractors. Thus the impact of such purchases is so diffused throughout Canadian industry that accurate identification of the numbers and names of the companies involved is not possible. Through the period since commencement of the defence production sharing program in 1959, it is roughly estimated that over 500 Canadian firms and 10 universities have executed prime contracts or direct subcontracts for the U.S. defence department.

4. In view of the varying factors outlined in part 3, it is not possible to provide a listing of companies which is complete or accurate.

PRINCE EDWARD ISLAND CAUSEWAY EMBANKMENT

Question No. 36—**Mr. Coates:**

1. What firms or individuals are associated with Northumberland consultants and what fee did they receive for the study carried out into the feasibility of constructing the N.B.-P.E.I. causeway?

2. What was the estimate of the causeway embankment as set out in the study prepared for the government by Northumberland consultants and what was the amount of the lowest tender received by the government?

3. Will materials from Malignant Cove be used by the low bidder on the causeway embankment if then tender is accepted by the government?

4. If materials are to be moved from Malignant Cove to the site of the causeway embankment, is it the intention of the Department of Public Works, or the federal government, to construct the necessary facilities at Malignant Cove and, if so, what would be the estimated cost of these facilities?

5. Were concrete tetrapods included among the materials to be used by the low bidder on the causeway embankment and, if so, how would the cost of these concrete tetrapods compare with natural armour stone?

Hon. G. J. McIlraith (Minister of Public Works): 1. (a) The firms associated with Northumberland Consultants Limited are: H. G. Acres and Company Limited; Canadian British Engineering Consultants; Langevin, Letendre, Monti and Associates. (b) The fee paid was $375,000. In addition, the consultants costs in an amount of $1,852,515 was paid. Costs include approved daily rates for staff, payments to independent consultants and contractors for surveys and borings, expenses for telephone, telegrams, printing, travel, temporary offices, etc.

2. Estimated cost in 1965 of causeway embankment 16,740 feet long given in feasibility study $30.4 million. Amount of lowest tender was $42,980,000 for a length of about 12,000 feet of causeway.

3. Information from lowest tenderer was that they did not plan to use Malignant Cove materials.

4. Not applicable.

5. (a) Yes. (b) The cost of protecting the causeway with tetrapods is less than an equivalent causeway protected by armour stone.

*ADDITIONAL WORK FOR ENAMEL AND HEATING LTD.

Question No. 40—**Mr. Coates:**

Has additional work been placed with the aircraft division of Enamel and Heating Products Limited, Amherst, Nova Scotia, to that originally contracted for, from January 1, 1967, to April 30, 1967, and, if so, what was the estimated value of this additional work and what was the additional number of man hours?

Hon. C. M. Drury (Minister of Industry): The answer is as follows. In so far as the Department of Defence Production is concerned, no additional work was placed with the aircraft division of Enamel and Heating Products Limited during the period January 1, 1967, to April 30, 1967.

*LAYING OF WREATH BY QUEEN AT CENOTAPH, OTTAWA

Question No. 42—**Mr. Groos:**

1. When Her Majesty the Queen of Canada visits Ottawa on July 1, 1967, is it part of her intended program that she should lay a memorial wreath at the national cenotaph, in remembrance of the fallen?

2. If so, is it intended that representatives of ex-servicemen's and ex-servicewomen's groups should be present for the occasion?

3. If so, in order to preclude any suggestion that this is an event of purely local significance, will the government ensure that representatives of ex-servicemen's and ex-servicewomen's groups are chosen and brought to Ottawa from all provinces in Canada, to be in attendance at this memorable event in our centennial year?

Hon. Léo Cadieux (Associate Minister of National Defence): Mr. Speaker, the answer to part 1 is yes.

The answer to part 2 is also yes.

The answer to part 3 is, in accordance with established policy invitations are only extended to veterans organizations which are national in character to send a representative to any ceremony at which Her Majesty lays a memorial wreath in remembrance of the fallen. The choice of the representative rests entirely with each organization, which bears any expenses which might arise relative to their representative's attending the wreath laying ceremony.

COMPANY OF YOUNG CANADIANS

Question No. 46—**Mr. Hales:**

1. What are the names and addresses of the five members on the company of young Canadians council appointed by the government?

2. How many volunteers to the CYC have agreed to serve for two years, and how many volunteers left before their two years were up?

3. How much money has been paid to volunteers since the act was established in July, 1966?

4. How many honorariums have been paid on completion of voluntary service, and what was the total cost of these honorariums?

5. What is the rent paid for each regional office of the CYC, and (a) where are these offices located (b) what is the total cost of maintaining each regional office?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): I am informed by the Company of Young Canadians as follows: 1. All 14 members of the provisional council were appointed by the governor in council. Their names and addresses are: Miss Jean Archibald, 5429 Inglis Street, Apt. 200, Halifax, Nova Scotia. M. Normand Asselin, 45 Somerset Street West, Apt. 4, Ottawa, Ontario. Mr. Wally Kubiski, Apt. 108, 249 Talbot Street, Winnipeg, Manitoba. M. Rodolphe Lafresnaye, Bureau d'Aménagement du Bas St-Laurent, 552, rue Lafontaine, Rivière-du-Loup, P.Q. M. Marc Lalonde, Special Advisor to the Prime Minister, Prime Minister's Office, Parliament Buildings, Ottawa 4, Ontario. Mr. Ed Lavallée, 329 Somerset Street East, Ottawa

2, Ontario. Miss Bevonne Patterson, Dean of Women, University of Alberta, Calgary, Alberta. Mr. R. A. J. Phillips, Director, Special Planning Secretariat, Privy Council Office, Parliament Buildings, Ottawa 4, Ontario. Mr. Tim Reid, Department of Economics, York University, Toronto 12, Ontario. Mr. William Rompkey, Director of Labrador Affairs, P.O. Box 280, Happy Valley, Labrador. Mr. Lloyd Shaw, 1690 Armsview Avenue, Halifax, Nova Scotia. Rév. Père Roland Soucie, Directeur de l'École de Psychologie et Éducation, Université de Moncton, Moncton, N.B. Mr. Douglas Ward, 365 Friel Street, Ottawa 2, Ontario. Miss Juanita Westmoreland, 6373 Bannantyne, Verdun 19, P.Q.

2. All volunteers who sign contracts with the company, 95 in number, agree to serve for two years. As of April 30, 18 volunteers had resigned.

3. Volunteer allowances until April 30, 1967 amounted to $122,846.17.

4. Twelve honoraria have been paid, in the amount of $3,690.

5. (a) Regional office addresses and annual rent: Atlantic region; Rent, $2,640.00. Address: Lord Nelson Hotel, Spring Garden Road, Halifax, Nova Scotia. Quebec Region: Rent, $5,428.00. Address: 980 St. Antoine, Room 450, Montreal, Quebec. Ontario Region: Rent, $2,-280.00 (2nd floor), $2,160.00 (1st floor). Address: 1 Admiral Road, Toronto, Ontario. Western Region: Rent, $2,371.00. Address: Third Floor, Commercial Bldg., 169 Pioneer Avenue, Winnipeg, Manitoba. B.C. Region: Rent, $1,800. Address: No. 3, 1929 West Broadway, Vancouver, B.C.

5. (b) Maintenance costs are included in rent.

*GRATUITY TO MILITARY MEDAL RECIPIENTS, WORLD WAR I

Question No. 47—**Mr. Irvine:**

1. Is it the intention of the Department of Veterans Affairs to make a gratuity available for recipients of the military medal granted for services in the Canadian Forces in World War I, on the same basis as those granted to service personnel recipients of this medal in World War II?

2. If not, for what reason?

3. If so (a) what is the amount of the gratuity to be provided (b) will it be an annual gratuity (c) will it be retroactive?

Hon. Léo Cadieux (Associate Minister of National Defence): Mr. Speaker, the answer to the first part is no.

[Mr. Matheson.]

The answer to the second part is, it was agreed among the governments of the Commonwealth that the United Kingdom would assume responsibility for all recommendations for world war I decorations for gallantry and medals carrying financial awards, and the responsibility for the payment of these awards, on the ground that they had been authorized by royal warrant.

This matter has been considered on a number of occasions but it has been felt that Canada should not take unilateral action to institute such payments.

The answer to part 3 is, not applicable.

*PRODUCERS OF DRUG MYXIN

Question No. 50—**Mr. Brand:**

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

2. What are the main terms of the production agreement?

3. Which personnel were involved in the process of decision leading to the award of production rights for myxin?

Hon. C. M. Drury (Minister of Industry): The answer to the first part is, licensing arrangements have been made with Ayerst, McKenna & Harrison Limited of Montreal for the development, manufacturing and marketing of the antibiotic drug myxin.

The answer to part 2 is, the essential criteria used in selecting a licensee, which are reflected in the agreement, are as follows: 1. The ability to perform or have performed the necessary development work. 2. The extent to which the development work can and will be carried out in Canada. 3. That the applicant will manufacture or arrange to manufacture in Canada to supply world markets, except as otherwise authorized by Canadian Patents Development Limited to the maximum extent possible. 4. Willingness to guarantee adequate expenditures on development within stated periods to ensure active development is reflected in the agreement with the licensee.

The answer to part 3 is, Canadian Patents Development Limited made the decision regarding the award of production rights for myxin. In arriving at this decision, Canadian Patents Development Limited, used the above criteria.

*CONTRACTS TO HALIFAX SHIPYARDS FOR NAVAL VESSELS

Question No. 55—**Mr. McCleave:**

What contracts have been awarded by the Department of Defence Production since April 8, 1963, to

Halifax shipyards for the construction of vessels for the Royal Canadian Navy, and what are the amounts?

Hon. C. M. Drury (Minister of Industry): The answer to this question, Mr. Speaker, is none.

DEMOLITION OF ROXBOROUGH BUILDING, OTTAWA

Question No. 63—**Mr. Douglas:**

1. What companies originally submitted bids on the demolition of the Roxborough building, Ottawa?

2. Did these companies submit their original bids as a result of a public advertisement and, if not, what was the basis of selection for companies to submit bids?

3. What was the amount of the bid submitted by each company?

4. What companies submitted bids following the second call for tenders, and what was the amount of each bid?

5. What were the changes in specifications between the first and second call for bids?

6. Who was awarded the contract?

7. Did this contractor complete the job and, if not, what was the reason for the failure to complete the job and how much was paid to this contractor for the work done?

8. Who completed the demolition job and how much did this company receive for the job?

Hon. G. J. McIlraith (Minister of Public Works): 1. Cohen & Cohen Limited, Teperman & Sons Limited, Ottawa (joint bid). Beaver Demolition, Montreal. Panzini Limited, Montreal. Palmer-Levitan Limited, Hull.

2. Yes.

3. Cohen & Cohen Ltd., and Teperman & Sons Ltd. $138,400. Beaver Demolition, $143,600. Panzini Limited, $164,500. Palmer-Levitan Limited, $169,370.

4. Leopold Fournier, Ottawa, $19,991. Eastern Demolishers Ltd., Ottawa, $21,000. Arrow Wrecking, Ottawa, $24,500. Hugh M. Grant Ltd., Ottawa, $34,000. F. Thibault Lumber & Wrecker Limited, Hull, $34,440. Boulevard Demolishers, Hull, $34,800. Elgin Wrecking Co. Ltd., Toronto, $47,365. Panzini Limited, Montreal, $57,000. Greenspoon Bros. Ltd., Port Credit, $58,000. Advance Lumber and Wrecking Co. Ltd., Toronto, $67,974. Palmer-Levitan Ltd., Hull, $68,000. Harvey et Fils Ltée., St. Hubert, $77,770. Beachwood Steel Supply Ltd., and J. A. Cronier Co. Ltd., Eastview, $83,900. St. Pierre Construction Ltd., London, Ont., $88,000.

5. The following changes:

Security Deposit: Whereas the first tender call required that a security deposit of $15,000, in the form of a certified cheque, accompany the tender, the second tender call did not contain any special security clause, i.e.—for tenders under $25,000 no security need accompany the tender. For tenders over $25,000, a 10 per cent security was called for.

Insurance: The first tender call required the contractor to provide proof of public liability and property damage insurance coverage under which the contractor and the crown would be mutually insured, the amount of such coverage being not less than $500,000. In the second tender call, this was changed to conform to the standard practice whereby the contractor was required to maintain an insurance contract of the type known and referred to by the Canadian Underwriters' Association as a builder's risk policy, insuring the work for its full insurable value only.

Time Allowance: Eight weeks only were allowed for the complete demolition at the time of the first tender call. This was extended to twelve weeks in the second call for tenders with an allowance of two weeks in which to commence work following award of contract.

Disposal of Debris: Arrangements were made in the second tender call only for the contractor to use the National Capital Commission disposal site at Nepean bay in the Bayswater-Wellington street area. This arrangement pertained to earth and masonry fill not contaminated by metals, plaster or combustibles. The use of the parking area east of the demolition site was also made available to bidders for storage and marketing of salvageable materials. In the initial tender call, the contractor was required to make his complete arrangements for a dumping site.

6. Eastern Demolishers Limited, 1070 Cyrville Road, Ottawa.

7. The contractor, Eastern Demolishers Ltd. did not complete the job. Failure to complete the job was due to unsatisfactory performance and the subsequent cancellation of the contract, by the department, following the contractor's loss of insurance coverage with the company with whom the contractor was insured. Nothing was paid to this contractor for the work they had done.

8. The demolition job was completed by J. A. Cronier Company Limited, 53 Young Street, Ottawa, and Beachwood Steel Supply Limited, 100 McArthur Road, Eastview, joint bid, at a cost of $29,985, 38 calendar days after the specified completion date.

Questions

DEMOLITION OF OLD PRINTING BUREAU, OTTAWA

Question No. 64—**Mr. Douglas:**

1. What companies submitted bids on the demolition of the old printing bureau in Ottawa?

2. Did these companies submit their original bids as a result of a public advertisement and, if not, what was the basis of selection for companies to submit bids?

3. What was the amount of the bid submitted by each company?

4. Which company was awarded the contract?

Hon. G. J. McIlraith (Minister of Public Works): 1. Cohen & Cohen Limited, Ottawa. Hugh M. Grant Limited, Ottawa. Teperman & Sons Limited, Ottawa. Greenspoon Bros. Limited, Toronto. Palmer-Levitan Limited, Hull. Hurdman Bros. Limited, Ottawa.

2. These companies submitted their original bids as a result of an invited tender call. Firms selected to bid were those considered most likely to have the equipment and work force available to do the work within the specified time, and capable of quickly obtaining bonding and financing to enter into and complete the contract under difficult timing and safety conditions.

3. Cohen & Cohen Limited, $92,777. Hugh M. Grant Limited, $99,000. Teperman & Sons Limited, $102,420. Greenspoon Bros. Limited, $115,000. Palmer-Levitan Limited, $117,200. Hurdman Bros. Limited, $119,750.

4. Cohen & Cohen Limited, 1963 Merivale Road, Ottawa.

VETERANS AFFAIRS SALARIES TO NURSES

Question No. 79—**Mr. McCleave:**

1. Are different wage rates paid to nurses employed by the Department of Veterans Affairs depending on the areas across Canada in which they serve?

2. If so, for what reason?

Hon. Roger Teillet (Minister of Veterans Affairs): 1. Yes.

2. Pay rates applicable on appointment of employees classified at the nurse 1 level are dependent upon the location and experience of the appointee. In addition, the pay plan for these employees provides different maximum rates dependent upon location.

This pay plan is based on data furnished by the pay research bureau following a national survey of nursing salaries. It substantiated the differing pay levels in effect at various locations.

Nurses employed in classifications higher than nurse 1 are paid within uniform ranges throughout Canada.

[Mr. McIlraith.]

*WATER SUPPLY, SPRINGHILL PENAL INSTITUTION

Question No. 104—**Mr. Coates:**

1. Have arrangements been made for the supply of water to the young offenders penal institution, Springhill, Nova Scotia and, if so, with whom were the arrangements made and what will be the cost to the federal government?

2. On what date will a satisfactory water supply be available to the young offenders penal institution, Springhill, N.S.?

3. Will the necessary water services require the calling of public tenders and, if so, on what date will public tenders be called?

Hon. G. J. McIlraith (Minister of Public Works): The answer to part 1 of this question is yes, by well system on penitentiary property at a cost of $82,252. As to the second part of the question, the present well water supply is satisfactory. The third part of the question is not applicable.

QUESTION PASSED AS ORDER FOR RETURN

MINUTES OF BOARD MEETINGS OF CROWN CORPORATIONS

Question No. 5—**Mr. Caouette:**

Are the minutes of the board meetings of the crown corporations listed in schedule D of the Financial Administration Act submitted to the minister responsible?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, motion for production of papers No. 6 is acceptable to the government.

Motion for production of papers No. 1 is acceptable to the government, provided the authorities of the province of Nova Scotia agree.

Would Your Honour be so kind as to call motion No. 4?

I ask that the remaining motions be allowed to stand.

[*English*]

PROPOSED SOUTHERN ROUTE, CAPE BRETON ISLAND

Motion No. 1—**Mrs. MacInnis (Vancouver-Kingsway):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the federal government, any crown corporations or federally sponsored organizations

or agencies and the government of the province of Nova Scotia concerning the proposed project hitherto known as the "Southern Route" in Cape Breton Island between January 1960 and January 1967.

Motion agreed to.

NORTHUMBERLAND STRAIT CROSSING

Motion No. 4—**Mr. MacDonald (Prince):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of all charts, maps, plans, specifications, diagrams and surveys produced by Northumberland consultants for the Department of Public Works in connection with the construction of the Northumberland strait crossing and an analysis of same by the department as well as regulations, tenders and contracts issued by the department and all communications exchanged between the government of Canada and its departments and the government of Prince Edward Island and its departments relative to the proposed construction of the Northumberland strait crossing.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, it will be seen that this motion asks for the production of all charts, maps, plans, specifications, diagrams and surveys produced by Northumberland Consultants for the Department of Public Works in connection with the construction of the Northumberland strait crossing, and for analyses of the same by the department. Then it asks for regulations, tenders and contracts issued by the department. Third, it asks for communications exchanged between the government of Canada and the government of Prince Edward Island.

The materials produced by Northumberland consultants for the department and the studies and analyses of the same by the department are departmental papers which it has not been the custom to produce, and they are privileged. However, the pre-tender information and the tender documents issued by the department can be produced. Similarly the communications exchanged between the government of Canada and its departments and the government of Prince Edward Island and its departments relative to the proposed crossing can be produced subject, of course, to the consent of the province.

Mr. MacDonald (Prince): If the minister would also agree to produce the hydrographic survey which is germane to these other matters, I would agree.

Mr. McIlraith: That is one of the surveys produced for the department for its own information. It is not the practice to produce it. I would have no objection to discussing this matter later, separately, but it should not be produced on this motion.

Mr. Speaker: Subject to the reservations and conditions expressed by the minister, is it the pleasure of the house that notice of motion No. 4 be adopted?

Motion agreed to.

R.R. No. 1, MANDEVILLE, QUE.

Motion No. 6—**Mr. Yanakis:**

That an order of the house do issue for a copy of al correspondence, telegrams or copies of correspondence concerning rural route No. 1, Mandeville, Quebec, exchanged between the Post Office Department and the federal member for Berthier-Maskinongé-Delanaudière, or any other persons of the said constituency, between January 1, 1955, and April 1967?

Motion agreed to.

UNITED NATIONS

MIDDLE EAST—CANADIAN CONTRIBUTION OF ARMED FORCES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Prime Minister. In view of the Prime Minister's statement on television last evening to the effect that Canada would be prepared to contribute armed forces to United Nations operations in the Middle East in circumstances similar to those of Korea, would the right hon. gentleman tell the house in as much detail as is appropriate the nature of the government's plans in this regard; and will he also tell us whether parliament will be consulted before troops are sent to any Middle East conflict?

Right Hon. L. B. Pearson (Prime Minister): Perhaps this question is of sufficient importance to warrant my reading to the house exactly what I did say. What I said, and I am reading from the text, was that if there was a decision of the United Nations—and I explained that this was a decision of the security council, which would mean it was a decision of the permanent members of the security council acting all together—that there was an aggressor, and that the aggressor should be stopped, then we, that is Canada, would have to play our part.

I indicated as evidence that we do play our part in carrying out our obligations under the United Nations the fact that we sent troops to Korea for that purpose, joining other United Nations forces in resisting aggression. This is a decision that would be taken in the circumstances I mentioned; and before any action

was taken to implement that decision, as was the case with Korea, parliament naturally would be consulted.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in view of the statement the Prime Minister has just read, may I ask him is the Canadian representative on the security council making any suggestions along the lines contained in the Prime Minister's statement of last evening?

Mr. Pearson: Not in respect of any action at all that might be determined as aggression, because that is not what the security council is dealing with. It is not dealing with aggression; it is dealing with a situation that must be prevented from causing a war.

Mr. Douglas: As a supplementary question, may I ask what position Canada is taking in an attempt to ensure free access to the gulf of Aqaba? Is the government making any proposals before the security council, or making any representations either now or in the immediate future?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the security council will be meeting this afternoon at three o'clock. The particular question of innocent passage is not immediately before the council. This is the issue, of course, that provokes the serious and critical situation that exists.

The United States and the United Kingdom have tabled a resolution this morning calling upon the parties, in the language of the Secretary General, to forgo belligerence, to exercise all other forms of restraint and to engage in diplomacy to try to bring about an easing of the situation. It is not clear whether this resolution, the importance of which is emphasized by the use of the word "belligerence" which was contained in the Secretary General's report, will be voted on today or whether there will be other resolutions. Until this matter has been disposed of it is not possible or desirable at this stage to deal with the substantive question.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I would like to ask the Secretary of State for External Affairs a supplemental question. In view of the unfortunate circumstance of some 750,000 Arab refugees in the Middle East, has consideration been given to a United Nations plan, in co-operation with the state of Israel, with other states and with private agencies to settle these people permanently and satisfactorily?

[Mr. Pearson.]

Mr. Martin (Essex East): Yes, Mr. Speaker. As my hon. friend knows, Canada annually contributes first of all a large sum of money toward the United Nations relief and works agency. The question of final location of the refugees is, of course, a matter for individual governments, but the United Nations has been most active in trying to bring about a solution with regard to this very serious aspect of the problem.

CANADIAN CONSTITUTION

CONSIDERATION OF OFFSHORE MINERAL RIGHTS BY COMMISSION ON REVISION

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, may I direct a question to the Minister of Justice. Considering that the question of provincial versus federal jurisdiction over offshore mineral rights is still before the Supreme Court, could the minister explain in what context this question will be among the first subjects to be considered by the newly appointed commission on revision of the constitution?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, I do not think it is correct to say it would be among the first questions. If the hon. member is referring to a statement I made yesterday, I indicated that all these constitutional questions were interrelated, and I gave offshore mineral rights as an example of the kind of question which would determine priorities in the study of other questions which were related to the solution which might come from the Supreme Court decision.

MR. JUSTICE LANDREVILLE

ANNOUNCEMENT OF ACTION PROPOSED BY GOVERNMENT

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Prime Minister. On Friday last, as recorded at page 604 of *Hansard*, in answer to the Leader of the Opposition the Prime Minister said this with regard to Mr. Justice Landreville:

> However, there will certainly be a statement on the matter not later than next Wednesday.

I am wondering if the government is now in a position to give that statement.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think the Minister of Justice could answer that question.

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, I have an answer to that question which was asked last Friday. It is my understanding that when the other place reconvenes on June 6 notice will be given of the intention to introduce a resolution in accordance with section 99 of the British North America Act for the adoption of a joint address to His Excellency the Governor General requesting the removal of Mr. Justice Leo Landreville from the office of judge of the Supreme Court of Ontario. In the event that the address is adopted in that place it will then be brought before this house for its consideration.

[*Translation*]

BROADCASTING

AGREEMENT BETWEEN QUEBEC AND FRANCE RESPECTING SATELLITE TRANSMISSION

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I should like to direct my question to the Secretary of State for External Affairs.

Would the minister tell the house if he has been in touch with the French government to find out the terms of the France-Quebec agreement on communications by satellite, which has been so strongly criticized by the Minister of Manpower and Immigration?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, our ambassador has, of course, been in touch with the Quai d'Orsay and with the premier of Quebec, whom he saw several times during his stay in Paris; the government is therefore well informed about that matter.

[*English*]

CANADIAN NATIONAL RAILWAYS

NEWFOUNDLAND—POSSIBLE DISCONTINUANCE OF RAIL PASSENGER SERVICE

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I would like to address a question to the Minister of Transport, but in his absence I shall direct it to the acting minister. Has the government any information as to any plans by Canadian National Railways to discontinue rail passenger service in Newfoundland?

Hon. John N. Turner (Registrar General): Mr. Speaker, I will take notice of the question for the Minister of Transport.

Inquiries of the Ministry

CANADIAN CITIZENSHIP

STATUS OF PERSONS VOLUNTEERING ASSISTANCE TO ISRAEL

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs and may I say, sir, an answer is vitally necessary because of increasing inquiries which are coming to the attention of hon. members of the house. Can the minister advise the house when he contemplates being able to make known the passport and citizenship position of Canadians who are desirous of volunteering their services in a civilian or military capacity to the state of Israel?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I would like to take notice of that question in order to examine the implications of the Foreign Enlistment Act, and the practice in Canada with regard to this matter.

CANADIAN PACIFIC RAILWAY

REQUEST FOR DEFERMENT OF APPLICATION FOR BRANCH LINE ABANDONMENT

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, I would like to direct a question to the Minister of Transport but in his absence I will direct it to the acting minister. In view of the short notice and the preoccupation of farmers at the moment with spring seeding and other agricultural commitments, will the minister give consideration to ordering a deferment of the hearing scheduled for June 22 by the Board of Transport Commissioners into the Canadian Pacific Railway's request for abandonment of a branch line service in the Boissevain subdivision in Manitoba?

Hon. John N. Turner (Registrar General): Mr. Speaker, I imagine that the ordinary procedure would be for those appearing in opposition to ask for that deferment, but I shall pass the hon. member's request along to the Board of Transport Commissioners.

CANADIAN CONSTITUTION

REQUEST FOR CONSIDERATION OF WHITE PAPER ON FEDERAL POSITION

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I direct a question to the Minister of Justice. In the light of the recent appointment of Mr. Goldenberg and Professor

Head as special counsel on the constitution may we expect that a white paper or other statement on the position of the federal government on the revision of the constitution will be made available for consideration by parliament, or by a special committee of parliament, as indicated, I think, from time to time by the Prime Minister?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, I have always taken the position, and I think it has been the position of the government, that there was no urgency to submit any papers on the constitution for debate in parliament; and the nomination yesterday of Dr. Goldenberg, that very eminent counsel, has not changed the position with respect to urgency.

Mr. Brewin: I have a supplementary question, Mr. Speaker. Would the minister tell us whether it is proposed to submit to parliament before the meeting with the provincial premiers on July 5 any proposals concerning a constitutional bill of rights which the Prime Minister mentioned in the house, I believe, on May 10.

Mr. Trudeau: No, Mr. Speaker. The answer to this question is similar to the answer to the preceding question. Apart from that, the meetings on July 5 are informal meetings between the premiers and the Prime Minister. I do not think it would be necessary or proper to debate the subject in question.

[*Translation*]

AGRICULTURE

ARDA AGREEMENT RESPECTING DEVELOPMENT OF EASTERN QUEBEC

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development.

Has an agreement been reached between the federal government and the Quebec provincial government concerning the implementation of the E.Q.D.B., and if so, when will a formal agreement be signed by both governments?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): As I announced last Sunday, at Chandler, Mr. Speaker, negotiations are still going on and if nothing goes wrong, we should be ready to sign the agreement next September or October.

[Mr. Brewin.]

[*English*]

TELEVISION

REQUEST FOR COMMITTEE CONSIDERATION OF SATELLITE BROADCASTING

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, my question is for the right hon. Prime Minister. I wonder whether the right hon. gentleman would parallel the bold concept inherent in satellite television communication by referring the subject to a committee made up of members from the committees on broadcasting and transport rather than to a royal commission as suggested by his colleague the Secretary of State, thus allowing himself perhaps to be surprised at the quality of work a committee of parliament might produce.

Mr. Speaker: Order, please.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—REAPPRAISAL OF DESIGN

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, my question is addressed to the Minister of Public Works. Could the minister advise whether his department has concluded its examination of the McCulloch report on the Northumberland strait crossing and whether Mr. McCulloch's services will be utilized in the reappraisal of the crossing design which the minister announced today.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, the answer to the question in the form asked is no; but that, perhaps because of its very brevity, is a less perfect answer than it should be. Over the past two months certain questions were asked concerning the commentary made public by Mr. McCulloch. I have an answer on that subject. It is rather longer than the type of answer which should be made on orders of the day, and perhaps tomorrow I could give it on motions. I think that would be a more appropriate and more satisfactory procedure.

[*Translation*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, now that the riding of Hull has selected its representative, could the Minister of Industry and Defence Production or the Secretary of State, as the case may be, tell us since when the printing bureau has moved to Ottawa, as

the address on parliamentary documents is the following: "Mr. Roger Duhamel, Queen's Printer, Ottawa"? We, members of the house have always thought that the printing bureau was in Hull.

Mr. Speaker: Order. I do not think the hon. member's question is acceptable.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should to direct a question to the Minister of Justice and Attorney General.

Would the minister inform his department that the House of Commons has found the hon. member for Sainte-Marie?

[*English*]

AGRICULTURE

DISTRIBUTION OF ADVERTISING RESPECTING DAIRY POLICY

On the orders of the day:

Mr. J. E. Madill (Dufferin-Simcoe): Mr. Speaker, my question is directed to the Minister of Agriculture. The urgency of this matter was indicated by the appearance of the farmers on parliament hill last Wednesday. Did all audit bureau circulation and sworn circulation papers covering rural areas receive the Canadian Dairy Commission advertisement outlining dairy policy?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the advertisements were placed in those areas which had the most considerable coverage for dairy producers and where the money would thus be most economically spent.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I have a supplementary question for the Minister of Agriculture in respect of the publication in the west of advertisements respecting the dairy policy. I am wondering why he did not see fit to put it in the *Western Producer* and *Family Herald* which have a wide coverage among farm families of western Canada.

Mr. Greene: I will check into that, Mr. Speaker.

Inquiries of the Ministry

QUEBEC—REQUEST THAT EGG IMPORTS BE REDUCED

On the orders of the day:

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, while I am on my feet—

[*Translation*]

in answer to the question raised by the hon. member for Saint-Hyacinthe-Bagot, I wish to say that there were recently egg importations from the United States in Quebec as well as in other provinces, in accordance with the normal terms established in the trade and on account of the price relationship between the United States and Canada.

Those shipments met with the importation standards already established and were subject to customs duties and other importation charges.

By the way, I wish to point out that egg production in Canada, up to now, has exceeded that of last year by about 8 per cent.

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I would like to ask a supplementary question.

What steps does the minister intend to take in order to grant the egg producers a suitable price?

[*English*]

HOUSING

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I have a question for the Minister of Labour in his capacity as the minister responsible for housing. In view of the continuing housing crisis in Canada could the minister tell the house whether before a summer recess we may expect legislation in the terms so eloquently outlined by the defeated Liberal candidate in Sudbury?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am afraid that I cannot accept the premise put forward by the hon. gentleman as to there being a housing crisis. There are housing problems in one or two centres in Canada, but in my view the term "crisis" is no longer applicable.

Inquiries of the Ministry

FINANCE

INQUIRY AS TO SECURITIES AND EXCHANGE LEGISLATION

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Registrar General. Could he advise the house what progress has been made in establishing a Canadian securities and exchange commission? If progress has been made in this regard, when may we expect this desirable objective to be achieved?

Hon. John N. Turner (Registrar General): Mr. Speaker, the subject of the regulation of securities in Canada will be dealt with at the next federal-provincial conference which is to be held in Toronto in mid June.

GRAIN

VANCOUVER—INQUIRY AS TO STEPS TO INCREASE HANDLING CAPACITY

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address this question to the Minister of Trade and Commerce or the Minister of Agriculture. In view of the report of the British Columbia research council to the effect that the port of Vancouver is operating at the limit of its capacity in respect of the handling of grain, is the government taking any steps or has the government any plans to increase the capacity to alleviate this bottleneck in export deliveries of Canadian grain?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, grain has been moving very satisfactorily through the port of Vancouver. I was in touch with the authorities there as recently as this morning. There is no bottleneck. If there is any impediment in this regard we will certainly look into the matter.

FISHERIES

NOVA SCOTIA—REPLACEMENT OF LOBSTER TRAPS LOST IN STORM

On the orders of the day:

Mr. Melvin McQuaid (Kings): Mr. Speaker, my question is directed to the Minister of Fisheries. As the minister probably is aware, some of the lobster fishermen in district 7B have suffered a severe loss of gear by reason of a storm which took place very shortly after the season opened. District 7B, of course, is an area where the lobster fishing regulations

[Mr. Nicholson.]

are restrictive. Will the fishermen be able to replace the traps which have been lost, and has an arrangement been made whereby these traps can be replaced without another application?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, this is the first time this problem has been brought to my attention. I can assure the hon. gentleman that in no circumstance would we prevent fishermen from replacing traps which have been lost due to storms.

NATIONAL DEFENCE

VANCOUVER—REQUEST FOR USE OF LAND FOR PARK PURPOSES

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Defence. Has the government received recent representations from the city of Vancouver requesting the use of the Department of National Defence lands at Jericho for park and recreational purposes? If so, will the minister grant this request?

Mr. Speaker: Order. The question should be placed on the order paper.

INDUSTRY

NICKEL—POSSIBLE RESTRICTION ON AMOUNT AVAILABLE IN CANADA

On the orders of the day:

Mr. Max Saltsman (Waterloo South): Mr. Speaker, my question is for the Minister of Trade and Commerce. I should like to ask the minister whether he has received any information to the effect that the International Nickel Company of Canada is restricting the supply of nickel for use in Canada. If so, what action is the government taking to ensure that the needs of Canadian industry will be met?

Mr. Speaker: Order. I suggest that the hon. gentleman might wish to place that question on the order paper.

Mr. Saltsman: Mr. Speaker, there is an urgency to this question since a number of industries in Canada are affected by the shortage and there is a possibility of lay-offs unless a correction takes place in this industry.

Mr. Speaker: The hon. member realizes that he can place the question on the list of matters to be debated at the time of adjournment.

PARLIAMENT HILL

REQUEST THAT NOTICE BE GIVEN OF PLANNED ACTIVITIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I had intended to address this question to the Minister of Public Works, but I shall address it to any minister who wishes to take it under his wing. I ask this question because of certain comments I have heard from visitors to parliament hill. In order that these visitors may be informed as to all functions taking place on parliament hill, would the minister consider placing a bulletin board at the main entrances to the grounds which would contain notices of functions for that and the next day?

Some hon. Members: Hear, hear.

Right Hon. L. B. Pearson (Prime Minister): I will be glad to take this question under advisement, Mr. Speaker. Naturally notices of that kind would have to be in both languages.

Some hon. Members: Oh, oh.

[*Translation*]

LABOUR RELATIONS

LANGUAGE QUALIFICATIONS OF MEMBERS OF BOARD

On the orders of the day:

Mr. Alcide Simard (Lac-Saint-Jean): Mr. Speaker, I should like to direct a question to the Minister of Labour.

Can the minister tell the house whether the chairman and members of the C.L.R.B. are bilingual?

Mr. Speaker: I do not think the question is in order.

PERMISSION TO C.B.C. EMPLOYEES TO JOIN UNION OF CHOICE

On the orders of the day:

Mr. Alcide Simard (Lac-Saint-Jean): Mr. Speaker, I wish to put my question to the Secretary of State.

Could the minister tell the house whether the C.L.R.B. has decided to make it easier for the C.B.C. employees to exercise their right to belong to a union of their choice?

Mr. Speaker: Order. I do not think the question is in order and, if it is, it could be put on the order paper.

Mr. Simard: Ten o'clock, Mr. Speaker.

[*English*]

EXPO '67

INQUIRY AS TO REOPENING OF CHINESE PAVILION

On the orders of the day:

Mr. E. F. Whelan (Essex South): Mr. Speaker, I wish to ask the Minister of Trade and Commerce a question with regard to the unfortunate fire in the Chinese pavilion at Expo. Has the minister received any assurance that this pavilion will be rebuilt?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I understand that the government of the Republic of China intends to rebuild it. The nationalist Chinese pavilion was not damaged as much as was at first feared. The restaurant, for example, was scarcely damaged and will be reopened in a short time. The structure of the building itself was not badly damaged. I understand it can be opened again, and will be reopened within a month.

Some hon. Members: Hear, hear.

REPORTED THREATS TO DAMAGE CUBAN PAVILION

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have what is in a sense a question related to the last one asked. I should like to ask the Secretary of State for External Affairs a question in connection with the threats of anti-Cuban extremists in the United States against the Cuban pavilion at Expo. Is the minister aware of these threats, and is he considering the situation?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have discussed this matter with my colleagues the Solicitor General and the Minister of Trade and Commerce. The Solicitor General has the matter in hand.

HOUSE OF COMMONS

APPRECIATION FOR PERFORMANCE BY RED ARMY CHORUS

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I do not presume to speak for all members of this house, but I certainly can speak for those who heard the Red Army chorus in the hall of parliament this afternoon. We are obliged to you, sir, for making this visit possible and appreciate it very much.

Some hon. Members: Hear, hear.

• (3:30 p.m.)

CANADIAN CITIZENSHIP ACT

AMENDMENTS RESPECTING RESIDENCE REQUIREMENTS, APPEAL COURT, ETC.

Hon. Judy V. LaMarsh (Secretary of State) moved the second reading of Bill No. S-4, to amend the Canadian Citizenship Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

On clause 1—

Mr. Fairweather: Mr. Chairman, I apologize for making it possible for the minister to leave the house. Perhaps she is tired of hearing me speak for the third time in three days. I assure her and my colleagues that I am not going to make a habit of this. I think even the minister would have to acknowledge that the amendments to the Canadian Citizenship Act that are placed before us in this bill are mere patchwork, in spite of the fact that a new citizenship act was heralded by announcements in four throne speeches from 1963 to 1967. The end product clearly shows the uncertainty which surrounds its origins and the difficulties this particular bill is having in joining the legislative list.

I want to assure the minister that, speaking for the official opposition, in spite of one or two comments and criticisms we welcome the concept of the bill and are glad that its passage has been given priority during centennial year. I assure the minister that nothing will be placed in the way of the swift enactment of the bill. I should just like to list quickly four of five complaints, so to speak, or comments and perhaps the minister will have some suggestions to make about them when she closes the debate.

The first and most serious is that the court of citizenship appeal, that is the Exchequer Court, unlike the immigration appeal court will sit ahead of or prior to the final grant of discretion by the minister. It is only a matter of months ago that we were dealing with the Immigration Act, and the process of appeal from the Immigration Act of a few months ago to the citizenship act has been reversed.

It seems to me, in any event, that this is a contradiction in policy and I think parliament and the country are entitled to an explanation for this shift in policy. After all, immigration appeals in matters involving security—and we had quite a helpful debate on this point —are left to the minister. I think there should be frankness in the matter of security cases and the granting of citizenship, particularly in so far as that grant concerns alleged members of the communist party. It seems to me that there is a paradox wherein the party itself is legal in Canada, but early membership in that party may rule out, even if there are not other reasons for so doing, the award of citizenship. I have always felt that the democratic fabric of this country was strong enough to withstand this type of assault, if it is an assault; or to put it another way, I have always felt we should not be so uncertain about our fabric that this paradoxical situation should become enmeshed in our law.

I have heard a certain anecdote many times, and I am sure the minister has also, about the former president Clémenceau of France. Some advisers and friends approached him and said to him: "Monsieur le président, your son is a communist." The great president then said to them: "But my son is 21. Come to me when he is 31 with the same story and I will begin to worry." I do not want anything more to be read into this anecdote than what I imply by it, but I think that with the experience in North America since the days of McCarthy we have seen what early membership in either the so-called communist party or in groups espousing its objectives might mean to a man's future.

The hon. member for Carleton, (Mr. Bell) in a most compelling speech in the private members hour last Friday, spoke of the anomaly of children of diplomats and service people. I hope the minister will be able to clear up that point when she comments on this act.

Then I want to make mention of the revocation of citizenship. I am one who believes that revocation should not be a matter of ministerial or regulatory discretion, but should be part and parcel of an actual conviction. Perhaps the minister, who is a distinguished counsel, would like to comment on this problem.

Then I think it will be admitted, as it has been to some of us by the members of the minister's own department, that it is time we had a revision and consolidation of the regulations outlining the qualifications for citizenship. I have particularly in mind the people who came before 1930, and then the group which came in the period between 1930 and 1947, and so on. My information from the minister's own department is that the only body of law, if a confidential memorandum is a body of law, is a series of these documents.

They are used by the department's own officers to teach them to interpret regulations which are not yet consolidated. I think we have had sufficient time now to gain an understanding of the larger concept, and it is time the entire administration tidied up and consolidated not only their statutes but their regulations. I think that if we could employ 50 lawyers to do this job, provided they could put these regulations down clearly—and unfortunately this does not always happen—if they did nothing else for the next ten years, our successors would profit by their work.

Lastly I should like to plead—and I think the minister will agree with me on this—for a humanitarian interpretation of this act. Unfortunately, and since I have never been a federal minister I do not have to take any blame for this, there are some areas where the judicial officer presiding over the court of citizenship takes an extremely harsh line in interpreting the act. I am not sure whether I should mention particular judges. I do not wish to do so by way of complaint, but to compliment one particular judge. I wish to say that we in the maritime provinces are very well served by the presiding officer of the citizenship court in that area, and I think any member of parliament from the maritimes should take an opportunity to visit the court while it is in session and see the wonderfully civilized way this public official not only interprets the act and regulations but welcomes immigrants into the fold. If the example of the presiding officer in our citizenship court in the maritimes were followed across this country, we would have reason to praise each and all of these officers.

Mr. McCleave: There are several of them.

Mr. Fairweather: I am thinking of one in particular, namely Judge Kenneth B. Carson from Moncton, New Brunswick. He seems to me to embody the qualities of humanitarianism which I think the interpretation of this act would require. I am sure there are other such officers, but I happen to have witnessed this person in operation and have been the better for it.

Mr. Chairman, these are all the comments I have. I am sure the minister will take an opportunity to reply to them. I hope the act will receive speedy passage, and that something which took so long to create will prove to be of great benefit to those people who seek this land as their home.

Mr. Winch: Mr. Chairman, it is my desire to take advantage of the discussion on clause 1 of the bill to add my voice in discussing one phase of the government's policy which has been followed persistently over the years, and in this bill I see that no change in policy is proposed. A visitor coming to Canada can do so on a temporary basis on a tourist visa. The only other way one can be admitted to Canada is as a landed immigrant. Such a person to arrive here as a landed immigrant must be absolutely acceptable to the officials of the department and to the government. Once the landed immigrant is here he must remain in this country for a period of five years before he can apply to a citizenship court for the privilege of being granted Canadian citizenship. If the court is of the opinion that he will make a good citizen and is in favour of granting him Canadian citizenship, the application of the immigrant then goes to the citizenship branch of the department where the final decision is made by the minister.

What has been our experience over the years? I have heard of several cases of landed immigrants receiving favourable decisions from the citizenship court, but being refused the right of citizenship by the department in Ottawa. This is serious enough, but what is more serious is that in handing down the ministerial decision no reason is given to the landed immigrant, who has been here five years and has received favourable recommendation from the court, as to why the minister has turned down his application. He does not know what is held against him and what the charge is. It may be based on misrepresentation and lies, but since he does not know it he cannot contest it.

It is not sufficient for a court to recommend the granting of citizenship. In my own constituency there are immigrants who have been here for five years and who have received a favourable judgment from the court, but who were then turned down by the minister, with no reason given. Two years later they went back before the court, once again received a favourable recommendation and again were turned down by the minister. No reason is given. They do not know why they are denied citizenship. So, what happens? After they are turned down twice, and very often after they are turned down once, I know what they do in Vancouver East. They get in touch with their member of parliament. They ask: What have I done wrong; what is held against me?

• (3:40 p.m.)

I take the matter up with the minister of citizenship. What answer does a member of

the House of Commons receive? He receives the same answer as that given to the applicant for Canadian citizenship: We are sorry, Mr. Winch, but we cannot tell you the reason; we will not give you any reason. Here we have one who is attempting to get Canadian citizenship. He has been admitted to Canada because the department of immigration thought he would make a good citizen. He has been a good citizen for nine years and in that time has been twice recommended for citizenship by the courts. Then, the minister not only has the power but uses the power to say to the applicant and to the member of parliament: We will not tell you why the applicant has been refused.

I have had the experience of following through these citizenship and immigration cases, when I have received these answers. Upon more than one occasion I have found that the reason the department refused the applicant was the result of lies and charges laid by somebody who was jealous of that individual, envious of him for some reason, and wanted to do something to hurt him. How are these applicants for citizenship, in all justice and fairness, going to be able to do something about it? I do know that in clause 30 of this amending bill there is provision for the right of appeal when one is turned down by the court. On the other hand, there is nothing in the bill that I can see whereby one who is favourably recommended by the court can appeal against the minister's decision, and know what the charge is.

Now, Mr. Chairman, surely this is about the most dictatorial, unjust policy that could ever be conceived in a democratic country or in a country of justice. This is a situation which, I will admit, completely burns me up, the principle is so unfair and unjust. I do not believe it is right in any Canadian policy or in any aspect of our life that a person should be found guilty without knowing what the charge is, and without being given the right to defend himself.

I do regret exceedingly that this change is not in the bill. I realize the minister has only had responsibility for citizenship for a short time. However, I appeal to her in the name of justice, in the name of fairness, that if she is going to take the ministerial power to deny citizenship to those recommended by the courts, in the name of decency let the individual or his representative in parliament know what the charge is, so it can be met.

Mr. Gray: Mr. Chairman, I should like to speak briefly in support of the bill before us.

[Mr. Winch.]

I feel it deserves the support of all the members of the house, since it expands the proud concept of Canadian citizenship. It may be that this bill could have been dealt with in earlier sessions of this house. However I can think of no more suitable, no more fitting time to deal with a bill of this sort than in the centennial session of the Canadian parliament.

I believe a very useful amendment to the citizenship act is the one permitting older people who have lived their lives here, but who may not have had an opportunity to acquire a detailed knowledge of French or English, to acquire Canadian citizenship upon demonstration of having been here for an extended period; thereby demonstrating the real test of citizenship that living lives as good citizens, raising families and contributing to the development of the country.

I wonder, Mr. Chairman, when the minister concludes this debate if she would give some further assurance with respect to the amendments before us dealing with section 12 of the citizenship act, the taking of the formal oath for Canadian citizenship. Many of us recall that about a year ago a problem arose when a family from a European country felt their religious conscience was such that they preferred to affirm rather than take an oath. The citizenship court judge in question felt he did not have the power to allow them to do so. I am somewhat concerned that it is not clearly spelled out in the act that people who, through the dictates of their conscience, feel they can only affirm rather than swear the usual oath will be entitled to do so. I hope the minister will give some explanation and reassurance upon this important point.

I suggest that the minister should be commended because of the amendments in the bill before us removing what, in effect, are the remaining distinctions between natural born and naturalized Canadian citizens. I think it is proven almost daily throughout the country that good citizenship does not flow automatically from the accident of birth. There is a lot to be said for the value placed upon citizenship by those immigrants coming to this country after having made a definite choice of Canada as the place in which they want to live and want their descendents to live for generations onward.

The removal of this distinction, Mr. Chairman, I believe helps to strengthen the concept and value of Canadian citizenship.

Another improvement is brought forward throught the creation of an appeal procedure to deal with the decisions of citizenship court judges. I believe this provision fills one of the greatest gaps in the existing citizenship law. I found it rather strange, Mr. Chairman, that there were appeals for such things as careless driving or throwing cigarette wrappers on the sidewalk, but no appeal from the decision of a judge on the vital question of whether or not a person could be a citizen of this country. I always felt it was certainly an anomaly to leave to the discretion of the individual citizenship court judges across the country exactly what criteria they would use, the questions they would ask and the manner in which they would come to a decision on whether the person appearing before them demonstrated in the course of the hearing that he ought to be given Canadian citizenship.

In the past there were judges, and I have heard it said there are still judges, who applied some very odd standards in arriving at their decisions as to whether or not the applicant should be recommended for Canadian citizenship. I have heard it said, and I have seen evidence of this myself in the past although not at the present time in our own area, that questions are asked in a narrow and discriminatory manner. It is obvious that simply knowing the name of the largest river in Canada for example does not constitute the supreme test of someone's ability to be a good Canadian citizen. It seems to me that the real test is the desire of the person to link his life fully and completely with this country, its present and its future. I think that without requiring a detailed examination of someone's knowledge of our history, geography or form of government, it should be possible, through questioning the prospective applicant about the life he leads in this country, his job, his hopes and his intention for the future, to determine whether or not the person in question really is one we want to have as a Canadian citizen.

I am not suggesting, Mr. Chairman, that a knowledge of our history, geography and form of government is not useful. Certainly it is. However, it is equally useful to a natural born citizen. It is rather strange that because a person is born here he can know nothing whatever about our history, our geography or form of government and still be considered a citizen in the fullest sense of the term.

• (3:50 p.m.)

It seems to me that there is great value in doing more to make sure that everyone in this country has a much wider understanding and knowledge of our history, our geography and our form of government, though I realize that this question may not fall completely within the competence of the federal government. I think that one project arising out of our centennial year would be to try to ensure that from now on we will fill one of the greatest gaps in the concept of Canadian citizenship, one which flows from the fact that many Canadians do not have sufficient knowledge of, and therefore sufficient pride in, their heritage, their history, this country's present status and the glorious future which I am sure will spring from this centennial year as we enter our second century.

I mentioned the approach that I thought should be taken by citizenship court judges in the hearings that they conduct in various parts of the country. Certainly the ceremony should be one of warmth and welcome. I might say in passing that a fine example of the manner in which a citizenship court should be conducted is given by the citizenship court judge for the district of London which includes Windsor. This is certainly my experience of the sessions of this court I have seen which have been held by the present judge in the city of Windsor.

I have heard it said, Mr. Chairman, that not all of the judges meet the standards required in this respect. Therefore I think it is incumbent upon the minister and her department to see that the type of standard maintained by the citizenship court judge in the London district is that which is used throughout the country. Perhaps the minister wants me to refer to specific cases I have heard about that do not meet the high standards of the London district court, but I think that may be for others to do. It is for the minister and the government, however, to take the necessary steps to correct the situation where this is indicated.

In conclusion, Mr. Chairman, as I said at the outset of my remarks there could certainly be no more fitting type of legislation to consider in the centennial session of this parliament than an act to strengthen and widen the concept of Canadian citizenship. Through this bill we are certainly taking an important step forward to enable everybody, whether born in this country or an immigrant to this country, whatever their origin may happen to be, to be able to say from the depths of their hearts "I am a true and proud Canadian".

Mr. Nesbitt: First of all, Mr. Chairman, I should like to associate myself with the remarks just made by the hon. member for Essex West concerning Judge Calder of the citizenship court in London. I corroborate and support all of the remarks he made in this regard because I have had exactly the same experience. The minister having had recommendations from both sides of the house, I hope the recommendation of the hon. member for Essex West will be carried out.

Second, Mr. Chairman, I should like to make some brief remarks in general terms concerning citizenship and young Canada, the generation that will succeed those of us who are presently sitting in this house. There are various ways in which the minister could be helpful in this regard.

First of all, I want to point out that I am fully aware that education is the specific right of the provinces, and I in no way wish to interfere with provincial jurisdiction. But inasmuch as citizenship is the responsibility of the federal government, I think there are ways and means by which the suggestion I have in mind might be implemented. All of us in this house have had the experience of meeting groups of students who come to the house, usually as a result of a promotion by one of our two large railway companies at this time of year. I know that most hon. members have usually made a point of meeting the students and perhaps introducing them to members of other parties, and the like. I also realize that some members have given students a brief rundown on what they might expect to see in this chamber when they sit in the galleries.

After several experiences of this I found a number of teachers asked me whether I would mind writing down what I had told the students, because the teachers themselves were not aware of the procedure here. They did not understand how political parties operate, how the house conducts its business, and so on. It appeared to me that not only the students but the teachers had no real conception of how this cornerstone of our parliamentary democracy operates and what goes on in this chamber.

Reflecting on this matter, Mr. Chairman, I began to realize that although I may have a number of academic degrees I myself did not know how the house operated until I became a member of it, and then perhaps only after an extended period of time.

It seems to me that if our parliamentary institutions are to survive, those who are to succeed us here and in operating the country in various capacities should understand the purpose of parliament, how it operates and what it is for. Unless this is the case I do not see how we have very much hope for the future. In fact I have grave fears about what may happen eventually. We have seen what has happened in other countries, not only currently but in times gone by, when democratic institutions were allowed to slip into disrepair and were taken for granted. I think nothing is more dangerous than that.

More than this, Mr. Chairman, we find nowadays a great deal of criticism of parliament. A great deal of this criticism is ill-founded simply because people do not understand the purposes of this institution or what it is supposed to do. Many seem to think it is some sort of efficiency operation, something like a factory.

I often say that perhaps the three fundamental functions of parliament are these: First of all, basically it is a place where the elected representatives control the expenditure of government funds, both as to the details of the spending and as to policy. Second, we carefully scrutinize and pass necessary legislation. Third, parliament serves as a sounding board for new ideas and suggestions by means of private members bills and resolutions. Although these things are readily understood by members of the house, others do not understand them.

People also do not realize, Mr. Chairman, that sometimes things take time, often a great deal of time. This place is not supposed to operate in a hurry. The reason we get bad reporting of parliament in the various public media of information is because people have not received proper instruction about parliament when attending school. This applies to all provinces, and I do not think that the one I come from is any exception. I have spoken to students who come here from all provinces, and I am convinced that people are not given a proper background about how parliament has evolved and what its purposes are. So no wonder we often get ill-conceived and ill-founded criticism, Mr. Chairman.

There are of course, some valid criticism to be made of this institution. Many members on all sides of the house have advanced these criticisms. However, many of the silly criticisms that one finds about this place, not only in the public information media but elsewhere, would I think not be made had there been some better way of instructing young Canadians.

I realize that this is a difficult situation to deal with. In this our centennial year there is not only a disinterest in our parliamentary institutions but an almost outright contempt of them, a contempt that has been encouraged often by well meaning people through the public media of information, and I refer to all branches of it. For others, this sort of criticism has become the "in" thing to do. For instance when C.B.C. performers make fun of parliament and members of parliament and make snide remarks about their honesty, the audience laughs. That is considered very funny. If anybody in this chamber objects, the attitude of the corporation is: Can you not take a little joke against yourself? We all hear jokes about ourselves, and most of us do not mind them. But when that process carries on continuously, when snide remarks are repeated over and over again, the image that is built of this house and of those members who have been in it over the years is misleading. Furthermore programs like that bring into disrepute our democratic form of government. As I see it, the only alternative to parliamentary democracy is some form of dictatorship. Most countries have tried to get away from dictators and have taken hundreds of years to evolve some form of parliamentary democracy. Most of us, and this applies particularly to those who have newly come to Canada, do not much like the idea of returning to some form of dictatorship for efficiency's sake—or for some other equally spurious reason.

• (4:00 p.m.)

I suggest to the minister that in this centennial year she commission a book about the workings of parliament. I have searched, as have my colleagues, for a good book about parliamentary operations, and I have yet to find it. I have thought even of collaborating with my colleagues in the house from various parties to try to write a book about parliament, though with the house sitting for such long periods it is difficult to find time to do those extra things that one might like to do. I hope the minister considers commissioning some person to write a book about parliament. She might consider someone from the press gallery. I shall not mention names, but there are a number of experienced men in the gallery who have valid criticisms of parliament and a reasonably well informed idea of its workings. Perhaps the Clerk of the House might collaborate. The book or booklet to be issued ought to be made available to the students in grades 10 or 11 and it ought to be in language that ordinary people can understand.

When hon. members present such a book in their own constituencies, perhaps with the presentation they might give a lecture about how parliament works. I have done something like that. I made a point of going to every high school in my constituency—there are about seven or eight of them—and giving a lecture, followed by a question period on how parliament works. That has been immensely successful, highly appreciated by students and staff, and I recommend similar projects to members of the house in all parties as centennial projects. By doing that one can perform a useful service in informing one's constituents, and in education.

I appeal to the minister to produce a booklet in both languages which may be understood readily. What it says ought to apply to any part of our country and it ought to show how our federal parliament and political parties in it work, how caucuses operate, and the like. The book ought to be commissioned in this centennial year.

Before concluding I wish to bring up another matter that I brought up last evening on the minister's estimates. I am referring, of course, to Lord Thomson of Fleet. Whether he is a Canadian citizen I do not know, but I should like to find out his status as a Canadian citizen. Allegedly he lost his citizenship because he accepted an honour from Her Majesty, our Queen. Needless to say the government has been very vague about his status. No one seems to know whether Lord Thomson is a Canadian or whether he is not a Canadian.

As a result of some of the amendments to be proposed I see that under the act one will not lose his citizenship, even though he commits treason. Perhaps that is a good idea, and perhaps it is. Should one, though, lose his citizenship for accepting a complimentary honour from our Queen? One does not lose his citizenship for accepting complimentary honours and decorations from other monarchs —and I think of an example where the King of Greece honoured a former premier of Quebec. I could mention other examples.

It is clear from reading the bill that, when it becomes law, only under extreme circumstances will one lose Canadian citizenship, and then only at the discretion of the governor in council. Yet the status of Lord Thomson, because of some resolution couched in general terms and passed many years ago, seems uncertain. He contributed a great deal to this country and to other countries, yet his status is uncertain. I ask the minister, what is

his status? I want an answer before allowing this bill passage. In the event that through some technicality Lord Thomson has lost his Canadian citizenship I hope the minister will bring in an appropriate amendment to restore it. I am sure the minister would not wish anyone to think that the government would not consider such an amendment because of political spite directed at Lord Thomson. In any event, I hope the minister answers my question: Is or is not Lord Thomson a Canadian citizen? If such a distinguished man has lost his Canadian citizenship, surely it would be a simple matter to bring in an amendment to remedy his loss.

Miss LaMarsh: Perhaps at this point I might answer the hon. member's question. I wish to say to members of the committee that my parliamentary secretary has charge of the bill before the house. It is the first piece of legislation that he is piloting, and aside from the matter raised by my hon. friend, he will be answering the queries of hon. members.

Mr. Knowles: Très bien.

Miss LaMarsh: I have ascertained that Lord Thomson did not lose his Canadian citizenship through accepting an award from the Queen of the United Kingdom to be a member of the upper house of the United Kingdom deliberative body. Before going farther may I read section 15(1) of the Canadian Citizenship Act which provides:

> A Canadian citizen who, when outside of Canada and not under a disability, by any voluntary and formal act other than marriage, acquires the nationality or citizenship of a country other than Canada, thereupon ceases to be a Canadian citizen.

I am informed that on May 30, 1963, the then Roy Thomson, a natural born citizen of Canada, formally applied for United Kingdom citizenship, thus by his voluntary and formal act acquiring the nationality of a country other than Canada. A certificate was issued on June 5, 1963, from the United Kingdom sources to that effect. Thus not through any action of the Canadian government but through Lord Thomson's personal initiative did he lose his Canadian citizenship. It appeared that he held some prize in higher regard than he held the status of being a citizen of Canada.

The hon. member and the hon. member for Kootenay West raised the question of Canadian citizens accepting honours or awards from other countries. The Canadian Citizenship Act does not provide for loss of citizenship if Canadians are honoured. The hon. member asked whether, notwithstanding the policy expressed by government after government that Canadian citizens should not accept awards or honours from other countries unless for services rendered to the offering country in respect of war or military operations in which that country has participated as an ally or associate of Canada, or in the United Nations, citizens becomes disfranchized, so to speak, or are penalized if they accept awards.

Such a citizen is governed by the express wish of parliament set out initially in a resolution. Since then the policy embodied in the resolution has been followed by succeeding Canadian governments. There is nothing in the Citizenship Act which deprives him of citizenship or places any other penalty upon him.

• (4:10 p.m.)

Mr. Nesbitt: Would the minister permit a brief question at this point? The hon. lady was referring to a section of the act under which a person who does certain things, such as applying for citizenship of another country, may lose his citizenship. As I read the section it says the governor in council may at his discretion remove the citizenship of a person who does this or certain other things. Has the governor in council in fact exercised that discretion?

Miss LaMarsh: That is a quite different section. The one I read, section 15(1) says that if a Canadian citizen voluntarily acquires, other than by marriage, the citizenship of another country he will—and these are the operative words—"cease to be a Canadian citizen". It is a situation which comes about by the operation of law, not by order in council.

The Chairman: The hon. member for York East.

Mr. Stanbury: May I ask the minister a question supplementary to the one just asked?

The Chairman: The chair recognized the hon. member for York East.

Mr. Otto: I hope the hon. member for York-Scarborough will have an opportunity to ask his question in a little while. I intend to be brief. I am glad to be addressing the parliamentary secretary—the minister has gone out for a smoke.

Some hon. Members: Oh, oh.

Mr. Otto: I forgot.

Miss LaMarsh: On a question of privilege.

The Chairman: Order. I would be very pleased to hear the question of privilege raised by the minister, but maybe she would resume her place, first.

Miss LaMarsh: We are in committee, Mr. Chairman.

My question of privilege concerns the facetious remark made by my hon. friend—one which will not look so facetious when it appears in print, in black and white.

My hon. friend knows I have had reason to suffer personal deprivation—on behalf of my former portfolio of health and welfare and on behalf of the youth of this country—which has left heavy marks upon me and I would, therefore ask the hon. member to withdraw the remark he made, in view of the fact that the record might otherwise be misleading.

Mr. Otto: I knew there was something the minister does not do, and now I remember what it is—she does not smoke. I withdraw that. I know she is not going for a cigarette.

Miss LaMarsh: That is worse.

Mr. Otto: I wish specifically to refer to the questions asked of applicants for citizenship, and to the conduct of some of our judges in relation to applications. I have in my hand what is called a guide to Canadian citizenship. This is a little booklet which is given to all applicants for their information—and also to scare the daylights out of them. Right at the front, in the preface, it says:

> When your examination takes place the judge may ask you questions on any of the subjects as a means of testing your knowledge of Canada and Canadian institutions.

I will refer to some of the questions. I hope the parliamentary secretary knows the answers to them, because otherwise he may be in danger of losing his citizenship, I take it. These are examples of the questions which may be asked, and I think the department should look into this situation carefully with a view to making amendments. This booklet is very complete. It contains questions such as this:

> There was a treaty by which the British got control of New France. When was this?
>
> There was rebellion in both upper and lower Canada in 1837. Who were the two leaders of the rebellion?
>
> What is meant by confederation?

Mr. Nesbitt: That is a good question.

Mr. Otto: There are other questions here.

> Since the war there has been a strong cultural upsurge in Canada. Can you mention two important forms of cultural activity in Canada?
>
> What are some features of radio and television broadcasting in Canada?

The minister has gone, but I know the parliamentary secretary can give a very explicit and short answer to that question.

> Who is responsible for education in Canada? Who pays for it?
>
> What is the difference between government service and voluntary organizations?

There are 40 or 50 questions in this 90-page booklet. In reality, what have they really to do with the desirability of an applicant for citizenship? Most people, especially applicants for citizenship, are busy trying to earn a living and would-be citizens have to spend 90 per cent of their time establishing themselves and, in many cases, becoming familiar with a new language. This takes almost all their energy. We should certainly not expect applicants to know more than other Canadian citizens. I think they should know as much, but not more.

I dare the parliamentary secretary to address these questions to a group of a hundred citizens chosen indiscriminately. I think he will find that not many people know the answers. I believe some common sense should be used.

As one hon. member has reminded us, one has established a certain vested right in being a landed immigrant. He cannot be thrown out of the country without good cause. At the same time, citizenship is withheld from him. This it seems to me has created a curious situation. Let us have either one or the other. If we say to a landed immigrant who has been here, say, ten years "You have a vested right to stay here", while at the same time withholding citizenship from him, we are surely acting in an illogical manner. What are the reasons behind this approach?

I wish to make a further point in conclusion. I should like the parliamentary secretary to take notice of it and direct it, if possible, to the attention of the government. I do not know whether the channel is open yet between the parliamentary secretary and the seats of the mighty, but my hon. friend is on his way up, and he may therefore be able to convey the proposal I have in mind.

Yesterday I introduced a bill to provide that every legally landed immigrant who landed in Canada before July 1, 1967, should

be entitled to citizenship as a gesture of goodwill during the celebration of our centenary. Only an oath of allegiance would be required. I have heard and read that over a period of many years very few landed immigrants have been deported. My bill, is therefore, unlikely to produce much difficulty in this connection.

Consider the reactions of all these immigrants when they are told that on the 1st of July, our birthday, they can make application for citizenship in the assurance that they have the right to obtain it. I imagine we would organize some festivities in this connection. Immigrants who are not yet citizens are sharing in all our celebrations. They would like to be part of these festivities, and I can think of no better way of including them than to accord citizenship in the manner I have proposed.

I should like the minister and the parliamentary secretary to give serious consideration to this idea. If the cabinet would introduce an amendment along these lines, and if the house would approve it, so much the better.

• (4:20 p.m.)

The Chairman: If the hon. member for York-Scarborough wishes to ask his question now, I could then recognize the hon. member for Winnipeg North.

Mr. Stanbury: I shall be glad to give way to the hon. member for Winnipeg North and make my remarks after that.

Mr. Orlikow: Mr. Chairman, citizenship and amendments to the Canadian Citizenship Act have been the subject of discussion in every parliament since I came here in 1962. Members of all parties, including backbench government members, who represent constituencies which have fairly heavy ethnic representation, have bombarded the government with suggestions for improvements to the Canadian Citizenship Act and its day to day implementation. They have made suggestions which would wipe out the anomalies that have existed and still exist.

I was amazed that the minister brought forward what another hon. member has referred to as a patchwork bill instead of placing before us the major redrafting that we have been promised for three or four years. This is a bill which will make relatively minor improvements to the act under which we operate. I am also amazed that the minister did not make an opening statement, explaining the purposes of this bill and what she hopes its passage will accomplish, indicating also when we may expect to get the major revision promised by successive ministers.

When he opened the debate on behalf of the official opposition the hon. member for Royal hoped that the minister would answer questions at the end of the debate. I have no objection to the parliamentary secretary doing that, but on such an important bill and such an important subject I think the house and the country should have heard some opening remarks by the minister to indicate the purposes of the bill.

It is all very well for the hon. member for York East to say, as he did in a pretty eloquent speech, that this bill goes a long way toward wiping out the differences in respect to citizenship between people born in Canada and people who come to Canada. I do not think the bill goes that far. The hon. member for York East pointed out that people who come to this country and apply for citizenship must be able to answer a large number of questions, which he said most citizens could not answer. I suggest to the parliamentary secretary that without some study a majority of the members of parliament might have difficulty passing the citizenship examination, if it were necessary for them to pass it in order to become citizens, or even to become members of parliament.

Those who were fortunate enough to be born in Canada do not have to pass any examination to get citizenship.

Mr. Herridge: Why should we?

Mr. Orlikow: I do not think we should; but I am not convinced that a person who comes to this country, stays here five years, supports himself and his family, sends his children to school, pays taxes and all other expenses, should have to pass a citizenship examination.

However, that is not the main point on which I rose to speak. I rose to say that, as with so many things that parliament and government do, this bill is mere window dressing. Under some of its provisions we are making promises and commitments to people wishing to become citizens, but under other clauses we are going back on those promises and commitments.

Clause 31 provides that when a citizenship court has held a hearing and decides that a person is qualified to become a citizen, the minister may grant him citizenship. That word "may" is not in the clause by accident. While the minister may grant that person citizenship, I presume the minister may also not grant him citizenship. This is a pretty

sweeping power to give the minister. As has happened so often in the past, when the minister refuses to grant citizenship, he will not tell the applicant, his lawyer, or even his member of parliament the reason for the refusal.

I am not going to name names today, but a former minister of immigration, now Minister of Labour, who was in his seat a few moments ago, knows one case which I have in mind. In many parts of Canada very distinguished people have been refused citizenship. I can think of a distinguished professor in the city of Toronto, a world famous authority in his own field, a landed immigrant who has held many important positions in government service, and he has been consistently unable to get citizenship. I can think of a professor in a Canadian medical college who came to this country from the United States as a landed immigrant. He is a brilliant scientist, and under his direction his medical department expanded tenfold or more. He was able to attract to it many distinguished people from other countries. He has represented Canada at a large number of world scientific conferences to which he was sent by his university, and I suppose on occasion by the Canadian government. But that man, despite the most distinguished sponsors, including a deputy minister in the federal service, was repeatedly turned down for citizenship.

The hon. member for Royal questioned whether a person should be refused citizenship because of his political views. I doubt whether the two people I have mentioned were ever members of the communist party. But even if they were at one time, if they are of a calibre and character which permits the government of Canada to allow them to come to Canada, to live permanently in it, and to occupy important and distinguished positions, then what earthly common sense is there in refusing them citizenship? If a person is a security risk or is involved in espionage, then there might be a reason; no doubt there is. But because a person disagrees with the foreign policy of the United States, disagrees with the foreign policy of Canada, or thinks that Canada should not have nuclear bombs, are these sufficient reasons to refuse to grant him citizenship? When we do that we take away the democratic rights which all of us like to believe every person in Canada has. I suggest to the government that it is time we wiped out this type of thing.

• (4:30 p.m.)

I should like to talk about another matter. As I have said before, and as I say now, in my constituency there are a number of persons whose applications for citizenship have been turned down over a long period. These are people I suppose who came here in the early 1900's after world war I, who were sympathizers with the communist revolution in Russia. Some of them I suppose belonged to the communist party. Others never belonged to the communist party itself but belonged to what those of us who have fought communism or have had anything to do with it refer to as front organizations, those fraternal organizations and co-operatives which, I admit, were established by the communist party and its sympathizers.

These people do not come to me. Not a single person has come to me to ask for my help in obtaining citizenship. Perhaps this is because my record of antagonism to communism in Canada or in any other country is so well known. These are people, however, who have been in Canada for 10, 15, 25 or 30 years. Surely it makes no sense that they should be denied citizenship after all these years simply because they belonged to the communist party or to one of the fraternal organizations, the names of which I will not burden you with at this time. Even more serious is the fact that, not only are they denied citizenship but they are not given the reasons for the denial of citizenship, nor are they given the opportunity to present evidence to show that a mistake has been made, if one has been made.

This certainly is not the place to discuss the R.C.M.P. I have not been quiet about the fact that I am not the greatest admirer in this house of the R.C.M.P. and its ability to decide who is or is not subversive. Even if one should be the greatest admirer of the R.C.M.P., he must face up to the fact that it is composed of a group of human beings who, like any other groups of human beings, or like any other individual, can and do make mistakes. I shall not go over the record, but we did have a case, the name of which I cannot remember at the moment, which my colleague, the hon. member for Nanaimo-Cowichan-The Islands, raised some years ago concerning the young man who was refused the right to re-enlist in the navy because, supposedly, his uncle was an official of the communist party. When my colleague took up the matter and investigated it, it was found that although they had the same name there was no relationship. If my colleague had not

taken the matter up and looked into it, that young man never would have known the reason he was refused the right to re-enlist in the navy.

My colleague, the hon. member for Springfield, says, "Suppose it was his uncle". We have come a long way. Surely we are not going to convict people or say they are guilty because of association, especially when the association is within a family. We choose our friends, but we do not have much to do about choosing our families. What I am saying is, having come a long way in our efforts to meet the difficulties in respect of prospective immigrants, surely we can devise a procedure whereby people who are denied citizenship because allegedly they do not meet the security standards, whatever they are—and I as a member of parliament do not know what they are; perhaps the parliamentary secretary knows—can be given a general idea of what they are accused of. I am not saying at this time that this should be done in open court. I am not saying that the person who makes the accusation should appear before the court. I am not saying that the specific details must be documented. I recognize the tremendous difficulties we face when we try to deal with the whole question of security.

I do not believe it would be impossible to have an appeal board composed of distinguished citizens whose records are so clearly favourable that they could be given, in confidence if necessary, a general statement of the reasons a person is being turned down. This board would be in a position to set the record straight, if the record obtained by the government agencies involved should be incorrect. There is nothing in this bill which spells out that right. There is nothing in it which spells out the right of a person whose application for citizenship has been turned down to be given a bill of particulars or even general knowledge concerning the particulars, so that he can answer the charges or explain the charges in order to clear his name. It seems to me that this is completely contrary to every principle of justice, democracy, or human rights which we in this country repeatedly espouse.

While it is not my intention to vote against the bill, we have some reservations and may move some amendments. I do say, however, that for me, and I believe other members of this house who have spoken on this subject on a number of occasions, it is a bitter disappointment that the government has not really met any of the specific objections which repeatedly over the years have been made by members of parliament on both sides of the house.

[Mr. Orlikow.]

Mr. Badanai: Mr. Chairman, I am particularly happy to participate in the discussion of this bill because it heralds the removal of discrimination against Canadians not born in Canada and, as well, makes the act more meaningful. When we speak of our natural resources seldom do we fail to boast of our vast mineral deposits, our vast forests and the abundance of hydro power, to say nothing of the great deposits of oil, gas and so on. But how often do we mention the more important prerequisites for the development of a modern industrial society: our manpower and the concept of unity, with a single concept of citizenship.

I recall that in February, 1959 the present Minister of Transport, the hon. member for Bonavista-Twillingate, introduced a bill in this house which was designed to remove the discriminatory section of the act—which also is the objective of this bill—whereby a naturalized Canadian citizen, under certain circumstances, is subject to the loss of his citizenship. However, like many other good moves advanced by private members, it was talked out by the supporters of the Conservative party.

• (4:40 p.m.)

This day and age shows unmistakable trends toward a lessening of narrow nationalism, more particularly because the present act is in conflict with the spirit and letter of the Canadian Bill of Rights, which was supported unanimously in this house. I am referring to the section of the act which provides that under certain circumstances a naturalized Canadian citizen can still have his Canadian citizenship papers revoked by the governor in council. I have been advocating, ever since I was elected to this house in 1958, the elimination of discrimination against naturalized Canadian citizens so that henceforth they will stand on an equal footing with the natural born citizen. I submit that if a naturalized Canadian citizen should commit an offence of a treasonable nature the law will take care of him, the same law that would apply to a natural born Canadian citizen.

I have always felt strongly about the need to eliminate this discrimination, not just because I happen to be a naturalized Canadian citizen but there are thousands in the same category, all of whom by accepting Canadian citizenship have accepted all the duties and obligations that go with it. I cannot see any difference between the duties and obligations

imposed upon them as citizens and those imposed on persons born in Canada. I submit that we have a Canadian citizenship of sorts; however, it lacks a cohesive force. Our Fathers of Confederation believed they could accomplish the building of a nation with two ethnic stocks, the French and the English. Little thought was then given to the introduction of many other ethnic stocks. We are built on the bedrock of a bicultural state, but the superstructure also includes a large number of other racial groups. Therefore I am pleased that in the interest of Canada the perpetuation of second-class citizenship will, by the passing of this bill, be eliminated. This will help to unify the racial groups in this nation where unity is the essence of successful development.

Fourteen years ago Right Hon. Louis St. Laurent, addressing a gathering in the city of Toronto, had this to say:

> I believe it is because we have learned to respect one another and to conserve our heritage that it has been possible since the war to admit 800,000 immigrants into our country without disrupting or even disturbing the basic character of our national life. These men, women and children are making a real contribution to our national life. Without them, we would be the poorer economically, culturally and spiritually.
>
> Most of them have come to Canada with the firm intention of becoming good Canadian citizens, and we are making it possible for them to develop a genuine attachment to this country, because of the increasing respect and understanding we have learned to have for the traditions and backgrounds of one another.

In November, 1962, I moved the first reading of Bill C-88, an act to amend the Canadian Citizenship Act. The purpose of the bill was to enable a citizenship court to recommend the granting of a certificate of citizenship to an applicant who is the wife of a Canadian citizen, even though she is unable to speak either the English or French language.

There are several hundred wives of Canadian citizens who by reason of age or because they are living in isolated places have not been able to master the English or the French languages, and indeed are unlikely to ever learn them sufficiently to qualify for citizenship when they appear before a judge for examination. Some of them can carry on a conversation in more or less broken English and can understand basic questions put to them—this also applies to many of the male applicants—but when they are in the court, facing the usually stern countenance of a robed judge, they become panicky and tongue-tied and fail to pass the examination. As a result, they are rejected.

They are advised to reapply after an additional period of two years, and when they do they have to again pay a $10 fee to go through the same process, with possibly the same result. This routine has discouraged many rejected applicants from reapplying and has thus prevented their becoming legal citizens of the country of their adoption. The entire system of examination requires revision.

Applicants for citizenship are asked questions by the court, some of which could stump even a member of parliament, as was pointed out by my good friend the hon. member for York East. Let me give you some examples of what I mean. The hon. member for York East gave some examples. In a list of 42 questions asked by a judge of applicants for citizenship the following appeared: How are members of the Senate appointed? Do you know what year Jacques Cartier landed in Canada? Can you name the two leaders of the 1837 rebellion? How did Canada become a country as a result of an agreement between certain provinces? What is the name of this act of parliament? What are the names of the provinces that joined in this federation? How many territories are there in Canada? What is the largest province in area? What province has the largest population? What is the name of the most recent act of parliament affecting our constitution? Which level of government is responsible for building highways? Which province produces most lumber?

Just imagine, Mr. Chairman.

Some hon. Members: Hear, hear.

Mr. Badanai: These are samples of questions put by some of our citizenship courts to immigrants seeking to become Canadian citizens. It seems to me we can devise a better and more simple set of questions for those newcomers who are anxious to become citizens. In October, 1961, a delegation from the Canadian Council of National Groups met in Ottawa and presented a brief to the Minister of Citizenship and Immigration seeking a revision of the Canadian Citizenship Act, which at present denies citizenship for various reasons, none of which have been made clear to the applicant. In this regard I agree with the hon. member for Winnipeg North.

• (4:50 p.m.)

I honestly believe that applicants for citizenship who were rejected for reasons other than the lack of language requirements, should be given an opportunity to present a defence against accusations in which, in many

cases, petty jealousies and animosities were involved. Their cases should be reviewed by the minister, and I urge the government to do something about this form of discrimination.

For several years the citizenship branch has been more or less neglected. However, since it has been divorced from immigration—and here I must say that I do not know whether this is for the best—we should look forward to some improvement, and we hope it will receive the attention which its importance to the development of the nation warrants.

There is a definite need for more counseling of immigrants whose contacts with the Canadian community should be encouraged and fostered.

In large centres such as Toronto, Montreal, Hamilton, Windsor and the lakehead, where perhaps 50 per cent of all post-war immigrants are concentrated, the establishment of citizenship offices would be justified. If we are to meet the problem of integration, which is a continuing problem, then the expense of establishing these offices is more than justified.

Such an office could serve as an information service for newcomers. It would recruit a large group of volunteer workers who would assist with reception, translation, the teaching of the English language and any other service required by immigrants.

In addition to the usual services performed by a citizenship office, there could be a close liaison with the local department of manpower on matters of discrimination in employment and housing. Many immigrants and members of minority groups encounter problems in the area of civic rights, yet few persons know that the local manpower office deals with complaints of this kind. They would more readily go to a citizenship office in connection with economic, social and cultural rights. These offices would provide a uniformity of services throughout Canada.

At the present time many of the national groups or individuals offer assistance to members of their own nationality. This type of assistance could be very helpful if channelled through a citizenship office. Presently this assistance is not on a professional or organized basis, and since it is offered by persons of the same nationality it can deter or retard integration. Then also, there are some ethnic group leaders who claim political control of groups, and this is a dangerous and unhealthy condition which leads to political exploitation.

I am convinced that if we gave more attention to problems of citizenship on a local level we would remove some of the criticisms which were heard during the hearings of the Royal Commission on Bilingualism and Biculturalism. The citizenship office would be able to deal with a problem before it developed into a national issue.

I believe that integration is the basis of Canadian unity and that all groups and individuals are bound together in a common citizenship and contribute to the development of a common heritage. This is not window dressing, as was pointed out by the hon. member for Winnipeg North.

I wish to congratulate the minister upon bringing forward this particular measure, which will eliminate a long standing discrimination that has irritated newcomers for a long time. I may add that personally I am particularly appreciative of the citizenship judge, Mayor Ernest Reed, who during the time he has been president of the citizenship court at Fort William, has served the whole district of Thunder Bay from White River in the east to Atikokan in northwestern Ontario. He has shown great tact and consideration in the examination of applicants for citizenship. If we had more men of his calibre in every city in Canada, there would be no criticism of the citizenship examination procedure in Canada. I am proud of the fact that I had the privilege and the pleasure of recommending him for the office which he fills with efficiency and dignity.

Mr. Roxburgh: Mr. Chairman, I will speak very briefly. I have listened with keen interest to the previous speakers, and I hope that the genial parliamentary secretary will pass on our ideas to the minister.

The hon. member for York East brought up some ideas and thoughts, which were also dealt with by the hon. member for Fort William. concerning the rather asinine questions which are put to the applicants for citizenship. When Hon. Guy Favreau was minister of citizenship and immigration I suggested to him that a new booklet be brought out for the use of immigrants, and I understand that such a booklet is now in preparation. I hope the parliamentary secretary will bring this matter to the attention of the minister so that this new book can be brought out at the earliest time possible, because there is a great need for it.

The hon. member for York East also brought in a new bill yesterday, which I had the privilege of seconding, the purpose of which is to give an opportunity to immigrants who have come to Canada and have not yet become citizens to become citizens in our one

hundredth anniversary. I think that to become a Canadian citizen in the year of our one hundredth anniversary should prove to be an exceptional thrill.

The various judges in the citizenship courts across the country have to decide who should become a citizen.

• (5:00 p.m.)

Mr. Knowles: Five o'clock.

Mr. Roxburgh: Since the hon. member for Oxford and the hon. member for Essex West have referred to the London court, I would be remiss if I did not refer to our citizenship court judge. I want to say that in the county of Norfolk we have one of the finest citizenship courts in the land, and I say this very sincerely.

The Chairman: I must apologize for interrupting the hon. member—

Mr. Roxburgh: I have not much more to say.

The Chairman: Does the committee give unanimous consent to the hon. member to continue?

Some hon. Members: Agreed.

Mr. Roxburgh: I should like to point out that I believe one of the most important steps an individual can take, outside of the vows of marriage, is when he becomes a citizen of a country. Let us never forget this. These people are giving up their own country. It is nice for us to sit here complacently, but we are born and brought up in this country. Let us put ourselves in their shoes. Let us go to another land and come before a judge. How are we going to be received? Are we going to be received with open arms?

We must remember that the person has been allowed to come into this country. In Norfolk county, Judge Brickenden is recognized as one of the finest judges in the province. After the court hearing, the I.O.D.E. give the applicants, coffee and sandwiches. We meet with them. The mayor of the town meets with them. I know, because it has been the subject of discussion in caucus on several occasions, that there is a city not too far from my constituency where the people cannot say the same thing about their citizenship court. It is too bad, and I sincerely hope the minister will give the matter consideration, because that type of situation cannot be allowed in Canada.

In conclusion, I should like to say that one of the promises of the Liberal party, which possibly was forgotten by the previous speakers, was to make as one the naturalized and natural born citizen. This has been done.

Mr. MacEachen: I am rising on a point of order and I appreciate that I am a bit out of order in rising. I am wondering whether we could pass this stage of the bill and when it is up for third reading any members who have comments to make might make them then.

Mr. Fairweather: We have not heard from the parliamentary secretary. This bill has been talked out by government members. We expected to have an explanation, since there have been four speakers from the opposition. I object to this procedure.

Progress reported.

HOUSE OF COMMONS

SUGGESTED PROGRAM OF INTERNSHIP IN LEGISLATIVE PROCESSES

Mr. A. D. Hales (Wellington South) moved:

That, in the opinion of this house, the government should give consideration to the advisability of establishing a form of internship program in the House of Commons; the purpose of the said program being to better equip outstanding young political scientists, journalists and law school faculty members, with a better understanding of the national legislative process; the participants to be brought to Ottawa for six to nine months of fulltime work as assistants to members of the House of Commons and to be paid a minimum stipend financed by the government and an established foundation grant, competition for the fellowship to be made each year, announced to coincide with the opening of a session.

He said: Mr. Speaker, I appreciate the opportunity of bringing this subject once again before the house in the form of a resolution. Last June 27, I had an opportunity to speak on this resolution at some length. I do not propose to take the time of the house today to repeat what I said at that time but will simply make a few brief introductory remarks. The resolution was conceived in my mind because of the great accumulation of briefs, reading material, bills, and other research work which many members of this house have to undertake.

As our government increases in complexity, it is becoming more apparent that a member is in need of help in one form or another. One of the best ways in which the individual member may secure this assistance would be I believe by the adoption of an internship for students of political science, journalism and law. They would come to Ottawa under a

program of internship similar to that of the medical student who serves his internship in a hospital before he starts to practice. I can think of no better place than parliament hill to obtain the experience, the practical knowledge, which people in these professions should have. This is the background of the concept of this resolution.

What is the answer to the problem? We have assistance available in the library. This scheme has been in operation for about two years, and I believe the staff has been brought up to about ten research people. They have two secretaries. It is estimated that the cost of the staff for this year will be about $115,000, according to the estimates. In his report the librarian has stated that only 68 members have used this service. It would appear from the lack of use of this service it is not providing the type of help for which the member is looking.

We must, therefore, turn to another field and I believe that field is the internship program which I am promoting in this resolution I believe that in order to keep my remarks in some sequence I should, first of all, briefly set out the purpose of the resolution, the method of selecting the interns and the source of the funds that would be required to pay for the program. Then, perhaps I could quote from one or two of the editorials that appeared the last time this internship resolution was discussed.

I think I have said enough about the purpose of the resolution. We all realize the purpose and the need for the program. What about the method of selection? How would these interns be chosen? These are proposals I am putting forward and I hope we will be able to go into the details at some other time or place. The intern would be selected through a nationwide competition. I believe the age of these people should be from 21 to 25 years. The criteria for selection would be superior training, practical experience and professional competence.

• (5:10 p.m.)

I suggest that a committee be made up of two Conservatives two Liberals, one member of the New Democratic party, one from the Social Credit party, two political scientists, two lawyers and two journalists, and they would pick those who are suitable for an internship. The applications would be made by the graduates in the three categories I have mentioned. These applications would be received in December and a selection made by March 31 so that the interns could commence work on September 1.

There are many other details I could go into, such as how much they should be paid and that sort of thing, but I do not want to take up too much time because many others may want to speak on the resolution.

All of this costs money, Mr. Speaker. It has been suggested that we pay these interns a living wage similar to that paid medical interns—something in the neighbourhood of $4,500 or $5,000 a year. I think the government would be well advised to consider setting up a centennial fund of $1 million for this purpose. If this amount was invested at 6 per cent, say, for easy figuring, and we paid the interns $4,500 a year the fund would take care of about 12 interns. We could also turn to organizations such as the Ford Foundation, who I am sure would be interested in contributing to an internship scheme such as that outlined in this resolution.

I am sure that the funds would be forthcoming, Mr. Speaker. This type of internship program has been in operation in the United States for a number of years and has worked very successfully. It would provide personal assistance to the member which at the moment we do not have. Naturally, those employed in the library must work on a non-partisan basis, but I think members would prefer to supervise their own research work rather than rely on impartial, broadly based material prepared by an independent staff. I think each member would benefit from better research and would be able personally to supervise the work of his assistant.

I can think of many jobs that these interns could do while working with a member of parliament. They could, for example, prepare research material, get material ready for speeches, read over many of the briefs that come to members, and best of all assist members with very complicated legislation coming before the house. I do not think there is a member in the house who would not admit that he comes into this chamber ill-prepared to study and digest legislation and to make really clear and concise remarks about it.

In this regard one has only to cast his mind back to the Canada Pension Plan, which came before this chamber. What time and what facilities had each one of us to study that piece of legislation, Mr. Speaker? I think of the great transportation bill that came before the house last session and also the unification bill. I am sure that all of us could have used

to great advantage the help of an intern in these particular fields.

Think also, Mr. Speaker, of the great training this scheme would give a person who won an internship. Look at the great value the experience would be to him. If he returned to practice law he would be a better lawyer. If he went into the field of journalism he would be a much better journalist. If he became a professor in political science, think how much more capable he would be in the classroom.

Another consideration is that many of these young interns may have in the back of their minds the thought that some day they would like to be a member of parliament. Imagine, Mr. Speaker, just how much better members they would be having had this internship and having had the opportunity of being here for at least one term. I do not think I need dwell any longer on what a great help they would be to the members of this house; indeed their appointment would be to the mutual advantage of both members and interns.

I should like to conclude my brief introduction to this resolution, Mr. Speaker, by putting on the record one or two extracts from editorials that appeared after I introduced this resolution on June 27, 1966, during our last session. There is this paragraph in an editorial which appeared in the London *Free Press* on July 4, 1966:

> It is a plan that merits consideration in that it would serve a dual purpose. Such employment would be of value to the interns themselves in the insight it would prove into the legislative process, as well as in the contacts within government service that would be established. It would afford, in effect, a practical post-graduate field of study. At the same time, if properly established and utilized, it would help elected members keep abreast of affairs domestic and international.

I have here one paragraph from an editorial which appeared in the Toronto *Star* under date July 7, 1966:

> A Conservative private member's bill, proposing a novel method for improving research facilities for members of parliament ought to be studied by the government during the summer recess to see if it can become government legislation for the next session . . .
>
> The government should consider resurrecting the scheme.

This comment appeared in the Toronto *Globe and Mail* for July 30 of last year:

> Hales' idea was warmly received—so warmly, in fact, that it was praised to death. One after another member rose to express support. They were still expressing support when the hour allotted for private members business elapsed.

Suggested Internship Program

I should also like to put on the record this comment in a letter from Mr. G. C. Andrew, the executive director of the Association of Universities and Colleges of Canada:

> I think the interns idea is an excellent one, and if there is anything the Association of Universities and Colleges can do to assist in developing it or carrying it out we would be only too delighted to do so.

Then, Mr. Speaker, in a letter from a professor at the University of Saskatchewan there is this comment:

> I trust the issue of internship in legislative processes is not dead. Such legislation is imaginative and should be productive.

Lastly, may I quote this sentence which appeared in the Windsor *Star* for March 16, 1967:

> There should be broader opportunities for more people to receive practical political training in offices other than those of members of the cabinet.

You will see from those editorial comments, Mr. Speaker, that this proposal has had wide acceptance. I sincerely hope that the house will accept it in principle. I would be delighted if the house would see its way clear to have this resolution sent to a committee for study. I think the committee on procedure of this house would be the best standing committee to which to refer this question. I will not at this stage go so far as to say that a special committee should be set up to study the matter; but I do feel there are many details which should be looked into, and this can be done to best advantage in a committee.

Therefore, Mr. Speaker, I will conclude my remarks so as to provide ample opportunity for any other hon. members who wish to speak on this resolution.

• (5:20 p.m.)

Mr. H. E. Gray (Essex West): The hon. member who has presented this resolution is to be commended for bringing it to the attention of the house and therefore to the Canadian public. If there is any criticism to be made of his proposal it is that it does not go far enough. By that I do not mean that there is not room in our parliamentary system for what the hon. member sets out in his proposal. If the hon. member's proposal were adopted I hope it would not be thought that there is not room for what I might call a general system for providing administrative assistants for members of parliament.

The hon. member said that in the United States Congress and Senate there is an internship program of the sort he proposes. That is quite true. However, in addition to interns

each United States congressman or senator has a staff of administrative assistants. I stress that while the hon. member's proposal is commendable, there is room for expanding it. In saying these words I hope I will be pardoned for advertising thereby another resolution on the order paper in my own name, which I hope will come before the house soon.

My own proposal is to provide members of parliament with administrative assistants who would help them to do research and to communicate with officials. Though I support the hon. member's proposal, its weakness is that it is aimed at helping the students and professors involved, more than members of parliament. It is important for our students to know more of our parliamentary system; there is a serious need to inform the Canadian public about its workings. They all should have greater factual knowledge of the workings of this system. Not enough of the people teaching political science in our universities possess the type of first hand knowledge that the hon. member suggests would flow from his proposal. Our professors and students do not have the first hand knowledge that hon. members have; it is vital that more people become intimately aware of the workings of our parliamentary and political system. In that regard, certainly, an internship program is useful and necessary, but if there is any priority, it is to help members of parliament perform their work rather than to help students and professors to learn more about parliament. Primarily, our aim ought to be to help members of parliament carry out their duties to the Canadian public more effectively.

Hon. members ought to have assistants who will keep in touch with government officials, follow up correspondence and requests, help in the preparation of committee work and in work to be performed in the house, gather information, carry out research and so on. When an hon. member is in the house or in committee he cannot deal with officials with respect to matters of policy which concern his area or the country at large; he cannot discuss with officials or ministers problems concerning his riding or the country at large; he cannot discuss with members of the public those problems which they feel he ought to deal with. A member of parliament needs someone whose main efforts are directed toward helping him perform a better job. This is more important to provide training for students, useful though that may be.

[Mr. Gray.]

If there are difficulties with the hon. member's proposal I submit they would disappear were there added to it a broader, general scheme to provide full time administrative assistants for members of parliament. The hon. member suggests that interns would work from six to nine months and then go back to the schools they came from. I think hon. members will agree that it takes approximately six months, more or less, thinking back to their own first days here as members for one to learn his way around, to know how the system works, whom to talk to and where to look—to become really useful, in other words. Were we to follow the hon. member's proposal, just when the intern is becoming useful he would return to his university or law school. There is room for a system where someone might stay for several years, so that he might put into effect the experience he has garnered in his initial period of apprenticeship. There is room for people to make careers of serving as administrative assistants to members of parliament. You will find these assistants—people who are well educated and well informed—serving congressmen and senators in the United States.

Why should the internship program be limited to students of political science, journalism and law school professors? What about students of accounting, business, or history? They might also participate in the program to good effect. I should point out, however, since I think the hon. member's proposal is sound, that I do not wish to have my remarks taken in a negative, critical sense.

The hon. member's proposal therefore ought to be broadened to make eligible categories of graduate studies other than he has mentioned. However, with a broader system of providing administrative assistants hon. members could have people working with them who have completed their education and have experience in wider fields, in addition to those mentioned in the notice of motion. Under a general system such as I have mentioned one ought to be able to recruit assistants from fields of endeavour other than the law and political science. What about accounting, business, the labour movement, and other areas of activity?

Were my proposal adopted, each member could have an assistant or assistants. However, hon. members representing ridings with smaller population, say, might possibly share an administrative assistant. In the initial period of the program, an assistant might be used by several members.

It is important also to ensure that the intern or assistant has a political philosophy and policy aims that are compatible with those of the member he serves, or else stresses and strains might be set up which would not help the member or the intern. Basically, the intern and the member he serves should have the same political philosophies and aims. That would be a positive feature of a general scheme of permitting members of parliament to have administrative assistance over and above the hon. member's proposal.

• (5:30 p.m.)

There is certainly room for the proposal of the hon. member for Wellington South (Mr. Hales) but I suggest priority should be given to a general scheme for providing administrative assistance to members of parliament along the lines I have outlined. If my proposal is not given priority, then at least the two proposals should be handled together. I fear that if the hon. member's proposal were dealt with first of all it would strenghthen the hands of those who do not fully understand the need for a modern parliamentary system to deal effectively with the complexities of present-day government.

My own view is that this is a constructive proposal, but that the implementation of a general scheme should be given priority. The public does not sufficiently realize that we in this parliament have ultimately to take responsibility for the operation of a government apparatus employing some 300,000 people, including those in crown corporations, and handling a budget of some $11 billions.

In these circumstances members of parliament need assistants working directly with them and responsible to them—people who are outside the government apparatus—so as to help members find out what is going on and inform themselves and the public about the details and the operation of the system. Armed with this knowledge members would be in a position to influence more effectively than is possible at the present time the direction which this apparatus is taking.

The impression is sometimes conveyed that all the work of parliament is done only in the House of Commons, or perhaps in the house and Senate. Useful as it may be as a forum for speaking to the nation and placing the views of members on the record, useful as it may be for taking broad, formal decisions, this house is really not a place for carrying out on a day to day basis the real work of overseeing the operations of a modern government and achieving legislative oversight in a meaningful way. It is therefore in the public interest that elected representatives of the public should be given the facilities to do the job expected of them.

It will become increasingly likely that what we are doing may well give the appearance of supervising the work of the government of our country, but will be far from the reality. We may well be doing nothing more than going through the motions, rather than dealing with the true substance of government.

The lack of staff to which the hon. member and I have alluded, and which had led us to place our respective notices of motion on the order paper, limits the degree of supervision over legislation which ought to be exercised by the representatives of the Canadian people in the interests of those they serve. Those who send us here expect us to perform this task and are surprised to find we lack the facilities to enable us to carry out all the responsibilities which should be carried out on their behalf.

In conclusion, let me once more commend the hon. member for having placed this resolution on the order paper, permitting us to air our views on this subject once again. Though it may not seem to affect the public as directly as some of the other matters we deal with —economic development and social welfare measures, for example—in the long run it may well turn out to be as important as any of these things if we are to make sure that long after this centennial year is over we shall continue to have a government which is really responsive to the demands and needs of the people of Canada.

Mr. H. W. Herridge (Kootenay West): I listened with great interest to what was said by the hon. member for Wellington South (Mr. Hales). Incidentally he is an alumnus of the college I attended in 1909, and the hon. member's uncle was a classmate of mine at the same college. While he was introducing this resolution I could not help thinking of his uncle, who possessed a constructive imagination similar to his own. I remember attending a theatre at Guelph to see a performance of "Prince for Tonight". It was his uncle who suggested it would be a good idea if all the students, who were sitting in the gods, were to gather up as many gartersnakes as possible and suspend them from cords so that they dangled beside the faces of the people sitting in the dress circle. This we did, to their great annoyance.

Suggested Internship Program

I thought this was an interesting and novel proposal, and I listened to the hon. member's explanation with great interest. I thought it was a constructive and imaginative proposal for dealing with a problem which does exist at the present time as far as members of parliament are concerned. In view of the fact that this type of service has been tried in the United States and found to be successful there, I believe the government should give consideration to the hon. member's motion.

He is simply asking that the government should give consideration to the advisability of establishing a form of internship program in the House of Commons. That is all he is asking. I think the government should accept this proposal, and I am rising to support it in principle as a constructive means of meeting a problem which does exist.

The hon. member recognizes that if this scheme were adopted it would be valuable to those who were chosen to serve members of parliament as research assistants. At the same time, valuable services would be provided to members themselves. I have heard this subject discussed at length in committee meetings, caucus meetings, and so on. There is no doubt that a need exists. That is why I hope the government will accept this proposal and refer it to the committee on procedure for further study. At least this would start the ball rolling.

There is one thing such a proposal could do. It could provide a means of avoiding the excessive cost which arises in the United States Senate in connection with secretaries and assistants to senators. We in Canada could not undertake that kind of expenditure.

• (5:40 p.m.)

Possibly members of parliament might be willing to give $2,000 a year from their $6,000 tax free expense accounts toward the cost of paying these research assistants. The government might give another $2,000 on top of that, and the students in question might be willing to do their best to live on that amount because of the valuable experience they would obtain by working as research assistants for members of parliament.

I am not sure at this stage what would be best to propose, and I do not think any of us have given enough careful study to know what scheme would serve members effectively and at the same time be within the financial capacity of the money appropriated for operating this house. For this reason I think the government should accept the hon. member's suggestion that the notice of motion be referred for further study to the committee on procedure.

When the various aspects of the matter are considered by that committee, and when evidence has been given by members of the staff of the House of Commons and by others who wish to give evidence to the committee, I think we could settle this problem satisfactorily without excessive cost to the taxpayers of the country.

I notice that the hon. member quoted several editorials which indicated that newspaper editors in his province think there is some merit in his proposal. He also mentioned the opinions of some professional people, and I presume they are interested in the internship aspect.

The only other suggestion I would make is that when the matter is considered by the committee, the occupations which might be covered by the scheme could be broadened. However, I conclude my brief remarks by urging the government to accept this resolution and have it studied by the committee on procedure, so that that committee can report its findings to the house with respect to the service that can be rendered and the cost involved.

Mr. D. R. Tolmie (Welland): Mr. Speaker, I certainly concur with the principle enunciated in this motion and would agree that the young intelligentsia of this country should be exposed to the practical workings of our national legislative process. However, the actual wording of the motion seems to indicate that most of the benefit would accrue to the young people involved. This of course has some merit. I believe it would give these young gentlemen a clearer concept of parliament and of the duties and responsibilities of members of parliament, and if this were so I believe we might get a great deal more sympathy.

The type of individual who could be expected to participate in an internship program is likely to be one who would later have a great deal of influence upon public opinion, and later on through public utterances and editorials he would be able to project a much more objective and salutary image of parliament itself.

The other advantage of this type of program, as I see it, is the fact that these young gentlemen would become acquainted with members of parliament. This could be bad or good. After a short time in parliament perhaps they might think it would not be a bad idea to run for public office. Of course it

could be a two-edged sword: They might decide never to catch the political disease.

Civic groups and many public spirited citizens have stridently deplored the lack of our young people going into public life, and the apathy of the general public. This is a valid fear. We all recognize the ingredients of a healthy, vital, and progressive democratic process. What is needed is a veritable array of dedicated young men willing to enter public life, ready and able to make the sacrifices that it demands. If we are to preserve and enhance our parliamentary system we must have this type of individual. Therefore if this plan awakens to even a small extent a feeling for politics in the young people involved, then for that reason alone the plan is justified. However, the real merit of the plan is the assistance it would give to members of parliament.

What about the plight of the ordinary member, and in particular I refer to the backbencher? I have been in this house one and a half years, and frankly I feel the great majority of members are hard working. They are trying to do their best for their ridings and for the country, but I believe members should have more time to ponder the great issues of the day, to study legislation, and to analyse briefs. This cannot be done if their time is consumed with committee work and answering correspondence.

At present we have fine offices. We have secretaries. We have very adequate equipment, but what we need is some assistance so far as the administration of our offices is concerned. I do not believe we should have an assistant for each member. I think at first this would not be acceptable, but we could have a pool of assistants, and members wanting to use them could use them. This is not a plan to hire people to do our legitimate work. It is a plan to make members more productive; and if we are more productive, then the country as a whole benefits. I believe this plan should be tried, and if it does not work it can be discarded.

It is an old axiom that the ordinary member is here merely to vote and look after his riding. This indictment is only partially true. I submit that ordinary members can be very influential concerning government policy. I believe they could participate in the debates in this chamber to a greater extent than at present. They can participate in caucus and on committees. They can participate in debates during private members hour.

Suggested Internship Program

Under the present system, however, I believe the private members hour to be a Model T in the jet age. We are supposed to have five hours for private members business each week. This is fine in theory, but the time in practice is reduced drastically. It is reduced during the budget debate, during supply debate, and during debate on the speech from the throne. At present, private members resolutions occupy two hours each week, and this leaves only one hour a week on Friday afternoon for private members public bills. I believe that private bills which deal chiefly with corporation matters should be eliminated from the private members hour. They have no place in the House of Commons.

We were able to eliminate divorce bills from the private members hour, and this was a very salutary step. They are now handled much more expeditiously in the Senate and everybody is quite relieved. The next logical step should be to transfer all private bills out of the house to some department such as the Department of the Secretary of State. In this way the applicant would receive a better and more prompt hearing, and there would be more time for private members business in this house.

• (5:50 p.m.)

Sometimes the whole concept of the private members hour is queried. Sometimes it is suggested that we do not need it at all. I think we need it, and for many reasons. The first basic reason is that it gives every member an opportunity to speak in this house, and that is something that is not easy to do. It is a rather intimidating place.

In the first place, all the members of this house travel across the country. They become acquainted with the needs, aspirations and feelings of the people of this land. They can interpret the mood and the temper of this nation. Of course, some of the bills which are presented are neither logical nor well thought out. Some of the ideas are good, some are bad, and some of them are indifferent; but at least the attitudes of this nation are crystallized and held up to public debate and scrutiny. I think this is a very fine thing.

The two reasons which have been advanced for the retention of the private members hour are to a certain extent most helpful, but the basic reason I believe is that it can be used as a vehicle to translate these ideas into legislation. At the present time about 100 per cent of the bills are talked out. They literally die, without having the remotest chance of being passed. I believe this is wrong. In my view

every bill should be voted upon before six o'clock. If it were accepted, then it could be sent to a committee for examination. If it should have merit, then it could be referred back to the house for possible legislation. This would enhance the role of the private member. This is what we are interested in.

This motion refers to parliamentary reform. I spoke on this subject previously. Because of antiquated procedures the average person has a very poor concept of parliament. In the eyes of the people, we are bumbling, ineffective and impotent; we are paralysed by stifling time consuming procedures. The danger in this attitude is very evident.

Mr. Deputy Speaker: Order. I apologize for interrupting the hon. member, but I suggest to him the remarks he is now making are not very closely related to the resolution which is before the house. In view of the fact there are several other members who would like to speak, I ask the hon. member to confine himself as closely as possible to the resolution which is being considered.

Mr. Tolmie: In summary, may I say that the motion pertains to certain parliamentary life and parliamentary procedure. I feel that this is of the utmost importance. I agree in principle with the point enunciated by the hon. member. I feel, however, that more emphasis should be placed on actual assistance to the members themselves. I believe that if this bill and the other hon. members's bill were sent to a committee and studied, it would be beneficial to this parliament and to the nation.

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I will be very brief because time is running out and I do support this resolution. I should like to make just a few observations. So explosive and indeed so intensive is our development and awareness of knowledge, and so rapidly does knowledge change today that it occurs to me that certainty of knowledge is an obsolete term. I think we are all quite familiar with this as a concept. If youth today has a policy, it perhaps could be described as idealism. This has not changed. If youth has an ideal, at the very least it is pragmatic. If youth today seeks and desires a more convenient vehicle for the expression of this, it turns to professionalism.

It is because of these two points that I make my third observation; that is, if the resolution is meritorious—and I happen to believe it is—I would commend it to the members of the house and urge that they give very careful consideration to the matter of referring it to a committee.

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, this motion has received support from all corners of the house. As a freshman member I am aware, as are many of my fellows, of two things. First, there are many able members in this house who do not perform in the most productive fashion possibly because of the variety of the tasks imposed upon them and, second, the young people of Canada are not sufficiently involved in the work of parliament to assure us that there will be a supply of able parliamentarians for this second century of Canada.

I am encouraged by the motion of the hon. member. I believe there is much in it which should be considered by the members of this house. I hope that this motion, motion No. 6 on the order paper under the name of the hon. member for Essex West (Mr. Gray), and another somewhat similar motion on the order paper will be considered by a committee of this house.

Therefore I move, seconded by the hon. member for Springfield (Mr. Schreyer):

That the said proposed motion be deemed to have been withdrawn and that the special committee on procedure of the house be empowered to consider and report upon the provisions thereof.

Motion agreed to.

Mr. Deputy Speaker: It being six o'clock, the hour for the consideration of private members business has expired.

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, tomorrow, Thursday, I hope to call as the first item of business the second reading of Bill No. S-6, the Interpretation Act. If that should be disposed of before six o'clock, we would begin consideration of the estimates of the Postmaster General. At eight o'clock of course there will be the budget address.

On Friday we would continue with the consideration of the estimates of the Postmaster General, to be followed by the estimates of the Department of Fisheries. On Monday we would begin with the Department of Fisheries and then the Department of National Health and Welfare. On Tuesday next week, in any event, we would resume the adjourned debate on the budget. I propose, after spokesmen

from each of the parties in opposition have been heard, to move the adjournment of the debate on the budget. We would then consider the estimates of the department of the Solicitor General and continue them on the following day, Wednesday. I hope it will be unnecessary to make any further announcement about the business of the house until next Wednesday night.

• (6:00 p.m.)

Mr. Knowles: Mr. Speaker, is it assumed that after we complete second reading of Bill No. S-6 tomorrow, we would continue with that bill in committee of the whole?

Mr. MacEachen: Yes.

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

HOUSE OF COMMONS

Thursday, June 1, 1967

The house met at 2.30 p.m.

PRIVILEGE

MR MACDONALD—MINISTERIAL STATEMENTS RESPECTING NORTHUMBERLAND CAUSEWAY CONSTRUCTION

Mr. David MacDonald (Prince): Mr. Speaker, I rise on a question of privilege arising from a series of misleading statements and misrepresentation made in this house by members of the government with respect to a major governmental undertaking, the Northumberland strait causeway. I believe my question of privilege can be fully documented from the records of this house over the last year and a half.

Shortly after this first session of parliament began I put a question on the order paper concerning the expected date of completion of the Prince Edward Island causeway. The reply of the Minister of Public Works is found at page 1148 of *Hansard*, and reads as follows:

> It is impossible at this early date to forecast accurately when a project of this magnitude and complexity will be completed. However, with maximum progress this project could be completed in late 1970.

One might say the minister protected himself well in that statement. However, outside of the house he went on record as announcing and in fact reiterating the earlier announcement of the proposed completion date of 1970. As if to underline the fact the government had indeed committed itself to a completion date late in 1970 the Minister of Finance, as recorded in his budget speech at page 3382 of *Hansard*, referred to one of the items for deferment or for rescheduling as follows:

> A readjustment of the timetable for the next phase of the Northumberland causeway project in order to minimize the pressures on the peak summertime employment market and maximize winter employment possibilities;

Later the hon. member for Kings (Mr. McQuaid) sought assurance from the Prime Minister with regard to the completion of the causeway. The reply he received is recorded at page 3860 of *Hansard*:

> —I can assure him there will be no delay in the completion of the project.

At an even later date, on April 19, a question was asked again by the hon. member for Queens of the Minister of Public Works who replied, as recorded on page 4030 of *Hansard*:

> I hasten to assure the hon. member that the Northumberland strait causeway is not being delayed in any way. The completion date is unchanged. It remains as it was when stated in the first announcement.

Later on the same day he said:

> The new schedule provides for uninterrupted effort to build the P.E.I. approach to the proposed nine mile crossing.

After all these statements assuring us of this completion date, last Friday afternoon in this house the Minister of Transport was able to say, as reported on page 626 of *Hansard*:

> The government has never at any time been so imprudent as to suggest a precise date for the completion.

I suggest, in the first instance, that there has been a very careful plan on the part of the government to mislead the members of this house as to whether in fact there will be completion of this important transportation link by late 1970. But, Mr. Speaker, I do not regard this as the basis of my question of privilege for it relates, in fact, to the very design and construction of the project itself. In January of this year, as will be found recorded on page 12408, I asked the Minister of Public Works, in the light of rumours of a possible report by O. J. McCulloch, whether indeed there would be design changes in the causeway. The minister replied on that date:

> Mr. Speaker, none are contemplated.

• (2:40 p.m.)

One might allow the minister some latitude at this point, Mr. Speaker; after all that was some months ago, and the government cannot be expected to be that accurate even after assessing this problem for three or four years. But this past month, on May 18, I again asked the minister whether he could tell the house when we might expect the awarding of the major contract called for March 31 so the next section could be gotten under way. In the first instance the minister was unable to reply, but in the second instance I put a supplementary question to him and asked whether the minister would assure the house that within the next two weeks we would

Prince Edward Island Causeway

have an announcement of the awarding of the contract. The minister's reply, as reported at page 345 of *Hansard*, was as follows:

I expect we will have it within the next two weeks, Mr. Speaker.

Those two weeks have now come and gone, Mr. Speaker, and we have had no word on the awarding of this contract. Rather we have had word of a deferment. As my most conclusive argument, Mr. Speaker, I refer to *Hansard* for May 23, on which day I asked the minister once more whether any action had been taken by the government to defer or redesign this project. In a supplementary question I asked him whether the government was planning to defer this project, and the minister answered with a categorical "No, Mr. Speaker".

Some months ago a report was published in our local paper under the headline "Are our Islanders being taken for a toboggan ride?" I think the answer to that question today is a categorical "yes" because of the way in which this government through the past months has deliberately misled the members of this house and the people of Prince Edward Island with regard to this worth-while and important project.

Mr. Speaker: I might bring to the attention of the hon. member that it is not according to the rules of the house to suggest that either one member or a group of members have deliberately misled other members of the house. I am sure that to this extent his words went beyond his thoughts.

I am sure the hon. member also realizes that fundamentally there is no question of privilege in what he is proposing at the moment. I refer him to citation 113 of Beauchesne's fourth edition, which I will not read in its entirety. Generally speaking we are now dealing with what might be called a dispute or disagreement between members as to the interpretation of statements made in the house. This cannot qualify the proposal of the hon. member as a question of privilege.

In view of the circumstances I do not think I can allow the hon. member to propose a motion to follow his question of privilege.

Mr. MacDonald (Prince): Mr. Speaker, with due respect—

Some hon. Members: Order.

Mr. MacDonald (Prince): It seems to me there is a disagreement about something that is a fact.

[Mr. MacDonald (Prince).]

Mr. Speaker: Order, please. A ruling has been made which is not subject to debate.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, may I rise on a point of order.

Mr. Speaker: Order, please.

Mr. McIlraith: Your Honour made a ruling.

Mr. Speaker: Order. Do I understand the minister to be rising on a point of order?

Mr. McIlraith: Yes, Mr. Speaker. Your Honour made two rulings in fact, but my point of order concerns the charge of deliberate misleading by the government, which must be withdrawn. The hon. member has not yet withdrawn that charge and I ask him to do so.

Mr. Speaker: Order, please. I would count on the hon. member's usual co-operation with the Chair to see that his last words, which as I said went beyond the terms of the rest of his statement, are clarified.

Mr. MacDonald (Prince): Mr. Speaker, I would not want anyone to think I considered that this government had done anything deliberately.

Some hon. Members: Oh, oh.

Mr. Speaker: Perhaps the hon. member should go no further.

Mr. McIlraith: On a point of order, I do not wish to repeat—

Mr. Speaker: Order, please. Is the hon. member rising on a new point of order?

Mr. McIlraith: Yes, Mr. Speaker, I raise a second point of order. The hon. member has deliberately abused the rules of this house—

Some hon. Members: Oh, oh.

Mr. McIlraith: —and under the guise of stating a question of privilege has misrepresented what is said and recorded in the records of parliament, as found in *Hansard*. I invite all hon. members to read thoroughly the remarks which appear in *Hansard*. They will see who deliberately misled the house.

Mr. Speaker: Order, please.

[*Translation*]

MR. VALADE—ANONYMOUS LETTER CONTAINING OFFENSIVE LANGUAGE

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, on a question of privilege. I am

sorry that the hon. member implicated in this matter is not in his seat to hear me.

My question of privilege deals with the respect that hon. members of this house must show each other, with the dignity and good reputation of parliament. If my intervention should cause any adverse reaction, such is not my intention. As an introduction to my question of privilege, I wish to quote from May's Parliamentary Practice page 43, chapter entitled "Breach of Privilege and Contempt," line 6:

[*English*]

Each house also claims the right to punish actions, which, while not breaches of any specific privilege, are offences against its authority or dignity, such as disobedience to its legitimate commands or libels upon itself, its officers or its members.

[*Translation*]

Yesterday afternoon, Mr. Speaker, after Your Honour had left the chair, I received an anonymous letter, written in block letters, obviously to prevent identification, and with the letter-head of the House of Commons.

Abusive, slanderous and defamatory remarks regarding myself had been written on the envelope and in the letter.

An hon. Member: Would the hon. member quote them?

Mr. Valade: Mr. Speaker, this is a question of privilege; the hon. member, by his antics, continues the interruptions and obstruction he has been making in the house for too long. I ask you, Mr. Speaker, to enforce the rules of the house.

An hon. Member: Quote the remarks.

Mr. Valade: The standing orders of the house, Mr. Speaker, rule out obscene and non parliamentary language, so I must refrain from repeating the terms used in this letter.

After inquiry of the authorities of the house, I discovered that a Liberal member had resorted to this grotesque and cowardly conduct.

I regret to have to tell the house that, in this case, the member for Saint-Henri (Mr. Lessard) is involved and sought to hide his insults under anonymity.

My question of privilege, Mr. Speaker, is to prevent a repetition of such conduct far removed from the sense of responsibility each of us in this house should show.

My question of privilege, which I am bringing forward after great hesitation, is not intended to publicize the name of an unknown member, but to demand and recall that between the members of this house, a dignified and respectful relationship should exist and and be jealously guarded by parliament, if the confidence of the people is to be maintained.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, with regard to the question of privilege raised by the hon. member—

Mr. Speaker: Order. The hon. member rose on a question of privilege which was not followed by a motion. I do not feel, therefore, that the matter is so urgent as to be debated without delay.

Mr. Choquette: I rise on a point of order, Mr. Speaker. I feel the matter is important, especially in view of the absence of the hon. member for Saint-Henri (Mr. Lessard). The hon. member for Sainte-Marie (Mr. Valade) said that the letter contained abusive, slanderous, vile language, in short, he used every possible epithet in such circumstances. In my opinion, the hon. member should be expected to table the letter in the house, so that we may know what was written.

Mr. Speaker: Order.

Mr. Choquette: The letter contained truthful statements.

[*English*]

Mr. Valade: On a question of privilege, Mr. Speaker.

[*Translation*]

The hon. member for Lotbinière (Mr. Choquette) has just stated, so that the official reporter may take it down, that the contents of that letter reflected the truth. Since those contents were abusive, Mr. Speaker, I suggest that you should ask the hon. member for Lotbinière to withdraw his words, because he keeps dirtying—as his party has been doing for the last two years—the hon. members of this house.

• (2:50 p.m.)

[*English*]

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS

Mr. H. E. Gray (Essex West): Mr. Speaker, I have the honour to present the first report of the standing committee on finance, trade and economic affairs.

[*Translation*]

—as usual, written in both French and English.

Prince Edward Island Causeway

[*English*]

First report of standing committee on agriculture, forestry and rural development—Mr. Whelan.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—COMMENTARY BY MR. MCCULLOCH

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, yesterday the hon. member for Queens asked me whether the Department of Public Works had completed its examination of the commentary by Mr. O. J. McCulloch on the Northumberland strait crossing and whether Mr. McCulloch's services would be utilized in our reassessment of the design of the crossing. I indicated that no consideration is being given to obtaining Mr. McCulloch's services but that I would make a statement on motions today as to the commentary and revised commentary sent to the department by Mr. McCulloch.

The contention of Mr. McCulloch is that the crossing should be built in precisely the way the Canso causeway was built, that is that it should be a solid causeway. In all his proposals Mr. McCulloch has assumed conditions existing as they were at Canso. This is patently not the case. The Canso causeway crossed a strait approximately three quarters of a mile long where changes in tidal conditions were not significant although there were some damage claims. The project we are now considering is a nine mile crossing located approximately in the middle of a 100 mile reach of the Northumberland strait.

While investigating the feasibility of the Northumberland crossing the government had a complete tidal study made. An analysis of this tidal study was made by the Liverpool Observatory and Tidal Institute of England to predict the results of placing a restriction in the strait. The results of their study, confirmed by subsequent model studies, indicated that a full causeway would change the tidal régimes throughout the strait. The changes would be very significant. At the crossing site the average tidal range at present is 7½ feet, whereas complete closure would increase the tidal range by 5½ feet on the east side and 2½ feet on the west side. To these changes in tidal ranges it is necessary to add the effects of storm surges and wind set-up. On the other hand, if a crossing is designed to provide a minimum of 35 per cent of the cross-section open to flow, changes in the present water level conditions throughout the strait are not significantly altered.

[Mr. Gray.]

In considering these facts the government had surveys made to consider the direct costs which might arise as a result of property damage, flooding effects on roads, bridges, marine structures and dredging, if water levels were changed. These, at 1959 values, were estimated at $23 million. What these costs would be in 1967 is problematical, and to evaluate them would involve a completely new assessment of lands, roads and bridges, marine structures and development since the survey of 1958-59. What was impossible to forecast or estimate, however, was the extent of potential damage to individuals or corporations located in and using the strait for marine purposes where their facilities and potential development would be affected by changes in water levels. Added to this was the potential of disturbing the existing conditions as they may affect the fisheries industry which would involve not only changes in depth but also water temperature conditions and water flow generally.

Having regard to all these factors the government wished to maintain, in so far as possible, the existing tidal régime, and this is still our judgment. This is particularly so when we have carried our engineering investigations to such an extent that we can provide an opening which will maintain the tidal régime. We can make provision for ice, and we are proceeding on this basis and do not accept the alternative of a solid causeway.

Mr. Heath Macquarrie (Queens): Mr. Speaker, it is very difficult to discuss such a technical statement without the text before me, and I am very much a layman in this field. However, Mr. Speaker, I am impressed by the assurance with which the minister seems to reject the suggestions of Mr. McCulloch. The minister described Mr. McCulloch's suggestion as a commentary. I have a copy of Mr. McCulloch's report before me, and it seems a little more ample than a mere commentary.

Considering the degree to which the department has had to admit errors and miscalculations I wonder at the presumption with which it is able to cast aside so summarily the suggestions made by Mr. McCulloch. Indeed I am wondering why in recent years Mr. McCulloch's submissions have not been more carefully studied. Although I hold no brief for Mr. McCulloch's suggestions I think it is fair to say he took stock of the resultant damage to the coasts of both provinces which would ensue from the building of a solid causeway—

Mr. McIlraith: No.

Mr. Macquarrie: —and in his calculations he estimated the cost of remedial steps. The minister interjects from his seat that he did not. I contend he did, and have the document before me. Mr. McCulloch did take this into consideration. Considering the whole causeway crossing project it would also appear to me that the very phase which yesterday was reported to be under reassessment, and for which contracts were not awarded, is the causeway section on the New Brunswick side which would be built and could be built if Mr. McCulloch's plans were adopted. Therefore, I and many people in Prince Edward Island are still possessed of a feeling of uneasiness about this whole project, and I am not convinced that much has been done to dissipate that uneasiness by casting aside the practical suggestions made by Mr. McCulloch.

Since the government seems to have to reappraise so much, and this despite the fact that yesterday in an answer given to the hon. member for Cumberland it was revealed that $1¼ million had been spent on research, I would commend to the government that in its reappraisal it should have closer consultation with Mr. McCulloch, who has at least produced a plan that is economically feasible according to his figures. I believe such consultation would be very much in order.

Some hon. Members: Hear, hear.

VETERANS AFFAIRS

REFERENCE OF ESTIMATES TO STANDING COMMITTEE

Hon. A. J. MacEachen (Minister of National Health and Welfare) moved:

That the items listed in the main estimates for 1967-68, relating to the Department of Veterans Affairs, presented to this house at the present session, be withdrawn from the committee of supply and be referred to the standing committee on veterans affairs, saving always the power of the committee of supply in relation to the voting of public moneys.

Motion agreed to.

COMMUNICATIONS

REQUEST FOR SUPPORT FOR PROPOSED CANADIAN SATELLITE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the right hon. Prime Minister. Can the Prime Minister state whether as a matter of government policy support will be given at least in principle to the project of an all Canadian communications satellite, as proposed in a brief prepared by the Canadian telecommunications industry?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as I believe I indicated the other day, that very important question is at the moment under examination by the government and by experts appointed by the government. This, of course, is one of the proposals which will be considered.

Mr. Starr: I have a supplementary question, Mr. Speaker. Will the government lend its full assistance, through the offices of the Secretary of State for External Affairs, in negotiating the necessary international arrangements in order that Canada may have as soon as possible the benefits of a satellite communications system which is all Canadian?

Mr. Pearson: I am sure the Secretary of State for External Affairs will receive every assistance from other members of the government in any negotiations he may have to carry out with other governments in an effort to bring this very important project to completion.

EXTERNAL AFFAIRS

MIDDLE EAST—CANADIAN POSITION RESPECTING GULF OF AQABA

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct this question to the right hon. the Prime Minister. In view of the statement made by the British Prime Minister and his foreign secretary yesterday calling upon all the maritime nations to join in a declaration that the gulf of Aqaba and the entrance strait of Tiran should be declared an international waterway with free access for all nations, is the Canadian government prepared to join in such a declaration?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we have just received the information to which my hon. friend referred. We will be discussing this matter this evening with the Prime Minister of the United Kingdom. I would prefer not to say anything about it until I meet with him.

Mr. Douglas: Mr. Speaker, may I ask the Prime Minister whether we can expect a statement of government policy in respect of this matter fairly soon. The whole situation is lying dormant and certainly will not improve unless there is some clarification on this point. Can we expect a decision tomorrow?

Mr. Pearson: Very active consideration has been given to this very important element of the whole crisis during the last week or ten days. Our own position as a government in respect of these waters, which was stated on March 11, 1957 in a speech in this house and also in a statement made at the United Nations, is that these waters should be considered international waters. That is the position on which we have operated and that position has not been changed. We are considering at the moment, not only with the United Kingdom government but also with other governments, what steps if any should be taken collectively to reaffirm this position. That is all I can say about it now.

REPORTED STATEMENT AS TO MEMBERSHIP IN ORGANIZATION OF AMERICAN STATES

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, my question, which is directed to the Secretary of State for External Affairs, is based on a report to the effect that the minister stated that membership in the Organization of American States is part of the ultimate destiny of Canada. I should like to ask the minister whether this implies that the government has made its decision in respect of this important matter. If so, when do they expect to make application for membership?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, if my hon. friend will be good enough to continue to read that report he will see that the government explained why it is not taking a decision at this time.

Mr. Speaker: The hon. member for Queens.

Mr. Heath Macquarrie (Queens): Mr. Speaker, my question has been asked by the hon. member for Fraser Valley.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, my question is directed to the Minister of Forestry and Rural Development and it follows up a question which I directed to him last Thursday, as shown on page 552 of *Hansard* concerning the officers of the R.C.M.P.

On the same page under the subtitle:

Possible implementation of school milk program—Godin

[Mr. Douglas.]

Mr. Speaker, although I have never raised that question and this title is completely wrong, for that day, I wish to say that I am not opposed to the principle and I ask the minister whether actually—

Mr. Speaker: Order. Would the hon. member ask his question?

Mr. Godin: Thank you, Mr. Speaker. I ask the minister whether milk will actually be distributed in schools and under what terms the members of the R.C.M.P. have accepted to perform that task?

Mr. Speaker: I think that I had suggested, at the time, that the question might be placed on the order paper.

[*English*]

PUBLIC WORKS

REQUEST FOR EARLY CONSIDERATION OF DEPARTMENTAL ESTIMATES

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is for the right hon. Prime Minister. It has relation to my earlier motion and the statement on motions by the Minister of Public Works. I wonder whether the Prime Minister would assure the house, in view of the magnitude of this project in the estimates of the Department of Public Works, that we might have these estimates before us in the next week or so.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my hon. friend knows that the order in which the estimates will be considered has been discussed with the opposition parties, and we are planning to discuss them in this order. If my friends opposite wish any change in that order perhaps they could take up the matter with the house leader.

AGRICULTURE

MILK—SUBSIDY PAYMENTS FOR LAST DAIRY YEAR

On the orders of the day:

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, I have a question for the Minister of Agriculture. Is it true that no further claims for milk subsidies for the 1966 dairy year, no matter how legitimate, will be paid due to funds no longer being available?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, any claims for the past year which were valid and filed properly and on time will be considered and paid.

DRUGS

INSULIN—ASSISTANCE TO USERS IN LOW INCOME BRACKETS

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the increase in the price of insulin I am wondering whether the minister could advise us whether any action is planned to protect those users of this drug who are in the low income brackets.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, no further action is contemplated. I may say, however, there is a provision under which the provinces in collaboration with the federal government may assist insulin users who are in necessitous circumstances.

Mr. Winkler: I have a supplementary question, Mr. Speaker, which I shall address to the Minister of Finance. Could he inform the house whether he anticipates eliminating the federal sales tax on drugs, particularly in respect of insulin, when he gives his discourse tonight?

Mr. Speaker: Order, please.

WATER RESOURCES

REQUEST FOR REPORT ON WASHINGTON CONFERENCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Energy, Mines and Resources. First of all I must welcome him back to this house, because I missed him while he was away. I ask this question because of the concern of many members with our important water problems. Is it the minister's intention to make a report to the House of Commons on the recent water conference held in Washington, and to give the house any information concerning proposals made or papers presented by the Canadian delegation which was in attendance?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I thank my good friend for his kind remarks. Next time I will consult with him before I leave. Communiqués were issued by my department before the conference was held. I will see to it now that a communiqué is issued which will outline the Canadian participation during that conference. May I underline now that no proposals of a political nature were made at the conference by Canada.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, in view of the national interest in the question of water resources I should like to ask the minister to inform the house when this report will be made available to members of parliament.

Mr. Pepin: We arrived back last night. I will make sure that it is out within the next two or three days.

[*Translation*]

TRADE

TEXTILES—REQUEST FOR RESTRICTION ON IMPORTS

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, my question is directed to the hon. Minister of Finance and Receiver General.

In view of the unfavourable balance-sheet recently presented by Dominion Textile and other Canadian textile companies, does the government intend to impose over-all restrictions on textile imports from Japan and other Asian countries, and to see to it that textile imports come back to a level lower than the one they have now reached?

Mr. Speaker: I suggest to the hon. member that his question is far too general in nature to be asked today.

Mr. Allard: Ten o'clock, Mr. Speaker.

[*English*]

NATIONAL DEFENCE

DISPOSITION OF EQUIPMENT LEFT IN MIDDLE EAST

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question I should like to direct to the Minister of National Defence. Were any war materials or strategic materials of any nature left behind in Egyptian territory when the Canadian forces left? If so, are there any plans to remove these materials from Egyptian territory?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, the only equipment left behind was that which belonged to the United Nations. I think there are some minor exceptions. For instance, two generators and two mule forklifts that had outlived

their usefulness were not considered worth bringing back. I understand all the other equipment which belongs to Canada or the Canadian forces has been removed to Cyprus or returned to Canada.

Mr. Nesbitt: I have a supplementary question. In reply to my question the minister said there was some material which belongs to the United Nations which was left behind. Is this material which was transferred or contributed to the United Nations by the government of Canada?

Mr. Hellyer: My information is that it was left in charge of the commander of the United Nations emergency force.

EXTERNAL AFFAIRS

NIGERIA—REQUEST FOR STATEMENT OF CANADIAN POLICY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to direct a twofold question to the Secretary of State for External Affairs. In view of the fact that a number of nations are removing their nationals from the eastern area of Nigeria which has recently seceded from the federated union, is Canada taking any steps to protect her nationals in that area? Does the minister have any information for the house regarding Canada's policy in respect of this difficult situation in Nigeria?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, an inquiry similar to the last part of this question was made yesterday, at which time I pointed out that the decision taken by one of the provinces of Nigeria was based on authority which rests in that country. This is a problem of a domestic nature in which we cannot interfere, although we are viewing events with great concern. So far as Canadians in the country are concerned, every step has been taken to make sure they are protected if there is any danger to their safety.

[*Translation*]

HATE LITERATURE

REPORTED DISTRIBUTION TO MEMBERS BY MAIL FROM MONTREAL

On the orders of the day:

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have a question for the Solicitor General of Canada.

[Mr. Hellyer.]

In view of the fact that an association known under the name of L'Alerte de l'Occident is now using the Canadian mail, or the royal mail of Canada, as you wish, P.O. box 185, station R, Montreal, to distribute hate literature against the Jews—which literature is liable to create social disorder in this troubled period in the Middle East—and since some hon. members have received that literature—

Mr. Speaker: Order. The hon. member must ask a question.

Mr. Prud'homme: I am getting to my question, Mr. Speaker. Could the minister tell us if he intends to investigate that matter?

[*English*]

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I will bring this to the attention of the R.C.M.P., and if an investigation has not already commenced I will ask that one be made. I am sure that my colleagues the Postmaster General and the Minister of Justice have also taken note of the question.

FINANCE

MERCANTILE BANK—REPORTED INTENTION NOT TO COMPLY WITH BANK ACT

On the orders of the day:

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, on May 29 the hon. member for Nanaimo-Cowichan-The Islands asked me a question about a report relating to the Mercantile Bank. I assume that the report to which he referred was the one contained in the May issue of the *Executive* magazine. I have read this article, and it does not state that the owners of the Mercantile Bank of Canada will not comply with the laws of Canada. It merely expresses the opinion of the First National City Bank that one of the alternatives open to the Mercantile Bank under the provisions of the Bank Act may not be one which they will choose to use.

TRANSPORTATION

PROCLAMATION OF LEGISLATION RESPECTING RAIL LINE ABANDONMENTS

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in the absence of the Minister of Transport I should like to direct this question to the acting minister. Will the acting minister inform the house when part I of Bill C-231, the transportation bill, will be proclaimed in order that the protection provided

therein will be given in respect of pending rail line abandonment applications? This is the assurance that was given to hon. members of this house during the debate on this bill.

Hon. John N. Turner (Acting Minister of Transport): Mr. Speaker, I would prefer to have this question answered on Monday by the Minister of Transport, and I will bring it to his attention.

COAL

CAPE BRETON—INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. Now that the province of Nova Scotia is in good, solid and sensible hands for at least the next four years, I should like to ask the minister when we can expect the introduction of the necessary legislation for the takeover of the Nova Scotia coal mines and the formation of the crown corporation.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I have no comment in respect of the first part of the question. Let me say in answer to the second part that we have now nearly completed our preparation, and in view of the fact that the Minister of National Health and Welfare, who is also from Nova Scotia, is now the house leader, perhaps this will assist us in introducing this legislation earlier than we might have expected.

Mr. Muir (Cape Breton North and Victoria): I have a supplementary question. Is the great delay in the introduction of this legislation related to the fact that the minister from Nova Scotia has been in the cabinet all these months and—

Mr. Speaker: Order, please. The election is over.

PUBLIC WORKS

AMHERST, N.S.—USE OF CANADIAN MATERIALS IN WHARF EXTENSION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in the absence of the Minister of Transport I should like to direct a question to the acting minister. Has the department received a telegram from the officers of local 2231 of the United Steel Workers of America at Amherst, Nova Scotia regarding an extension to the Pugsley terminal wharf? The tenders are apparently being called for early next week, which gives this question great urgency. The telegram requests the government to specify the use of Canadian materials in order to provide some 15,000 to 20,000 man hours of work for the steel industry in that area, which is now suffering from unemployment. Has such a telegram been received and, if so, what steps are being taken by the government to comply with this request?

Hon. John N. Turner (Acting Minister of Transport): Mr. Speaker, all I can say is that I have not had such a telegram brought to my attention, but I shall look into the matter immediately.

FISHERIES

BRITISH COLUMBIA—RENEWAL OF STELLAKO RIVER LOG DRIVE

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I should like to direct my question to the Minister of Fisheries. Has an agreement or an understanding yet been reached between his department and the government of British Columbia regarding the controversial Stellako river situation?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, on Thursday or Friday of last week I informed the government of British Columbia that I was prepared to cooperate in respect of a limited and controlled log driving operation this year on the Stellako river. I understand that the provincial minister concerned has been in Washington for the last seven or eight days attending the water for peace conference. I have not received any reply to my letter, but I have good reason to believe that my offer will be accepted.

[*Translation*]

LABOUR RELATIONS

QUEBEC—CERTIFICATION OF BARGAINING AGENT FOR C.B.C. EMPLOYEES

On the orders of the day:

Mr. Alcide Simard (Lac-Saint-Jean): Mr. Speaker, my question is addressed to the Minister of Labour.

What position does the government intend to take in reply to the application for recognition by the C.N.T.U. concerning C.B.C. employees?

Inquiries of the Ministry

AGRICULTURE

QUEBEC—REQUEST FOR INCREASE IN INDUSTRIAL MILK QUOTAS

On the orders of the day:

Mr. Antonio Yanakis (Berthier-Maskinongé-Delanaudière): Mr. Speaker, my question is addressed to the Minister of Agriculture whom the farmers admire very much and whom I should also like to congratulate for the magnificent building—

Mr. Speaker: Order. The hon. member must put his question.

Mr. Yanakis: —which he inaugurated yesterday. He does honour to his department.

The minister could perhaps tell the house whether his department intends to revise the industrial milk quotas in favour of the farmers anxious to increase their production?

[*Later:*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, my question is directed to the always very pleasant Minister of Agriculture.

Does the minister intend to revise the milk production quotas in order to help the farmers, as has been suggested by several members on the government side of the house, including the hon. member for Berthier-Maskinongé-Delanaudière (Mr. Yanakis)?

Mr. Speaker: Order. The question has already been asked today.

[*English*]

CONSUMER CREDIT

INQUIRY AS TO LEGISLATION THIS SESSION

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Registrar General whether he intends to introduce legislation this session to incorporate any of the recommendations of the joint committee on consumer credit.

[*Later:*]

Mr. Orlikow: Mr. Speaker, I should like to direct a question to the Registrar General and ask him whether, in view of the speeches he made recently which seemed to endorse the major recommendations of the joint committee on consumer credit, we can expect legislation on this matter in this session.

[Mr. Simard.]

Hon. John N. Turner (Registrar General): Mr. Speaker, I can only say that the recommendations of that committee deserve favourable consideration, and that we are looking into them at present.

NATURAL GAS

DECISION BY U.S. COMMISSION ON PIPE LINE APPLICATION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. In view of the fact that he has just returned from Washington, can he tell the house when he expects the federal power commission to make a decision regarding the Trans-Canada application in relation to the Great Lakes project?

The second part of the question is whether there is enough time left to build this line to overcome the shortage of 33 billion cubic feet of gas which will be required in Canada next winter.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): It would have been quite improper for me to pay a visit to the federal power commission. The commission is not supposed to receive that kind of representation. I might say, however, in answer to a question posed yesterday to the Prime Minister, that when I was in Washington I took the opportunity to visit Secretary Udall and discuss with him the oil market situation for Canada in the United States. Technical meetings had been held previously on that subject, and further technical meetings will now take place. In our conversations I insisted on the importance of the Chicago loop for the growth of the Canadian oil industry, and I emphasized our desire to co-operate with the United States in a rational development of Canadian oil markets there.

EXTERNAL AFFAIRS

CUBA—REPRESENTATIONS RESPECTING IMPRISONED CANADIAN

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Secretary of State for External Affairs. I should like to ask the minister whether he has made any recent representations to the Cuban government on behalf of one Ronald Lippert, who is currently serving a jail sentence in Cuba.

Hon. Paul Martin (Secretary of State for External Affairs): Yes, Mr. Speaker; not too long ago I discussed this matter with the appropriate people.

Mr. Winkler: Could the minister inform the house of the results of those discussions?

Mr. Martin (Essex East): When I have some definite results I will be glad to communicate them.

[*Translation*]

PUBLIC BUILDINGS

REPORTED PLANS FOR CONSTRUCTION IN GATINEAU COUNTY

On the orders of the day:

Mr. Gaston Isabelle (Gatineau): Mr. Speaker, I have a question for the Minister of Public Works.

Could the minister tell me whether a firm of architects has been chosen, or will be chosen shortly, to prepare plans and estimates for the federal buildings of the Department of Forestry and Rural Development which will soon be built in the French part of the national capital.

Mr. Speaker: Order. The hon. member should put his question on the order paper.

Mr. Isabelle: —in the vast and hospitable riding of Gatineau?

[*English*]

FINANCE

MANITOBA—REPORTED FRAUDULENT PRACTICES BY CROWN AGENCY

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Registrar General. I should like to ask the minister whether he has received a petition signed by a number of shareholders of a Winnipeg based firm known as Damascus Steel Products Limited alleging fraudulent practices on the part of the provincial crown agency known as the Manitoba development fund, or certain of its officers. If so, can the minister say whether he has ordered an investigation into this charge?

Hon. John N. Turner (Registrar General): Mr. Speaker, first of all I want to thank the hon. member for his courtesy in giving me notice of the question. I have received the petition, and I have asked the superintendent of bankruptcy to look into the matter. I am awaiting his report. I understand that there have been no bankruptcy proceedings as such, but the superintendent of bankruptcy is looking into the matter and will report to me.

INTERPRETATION ACT

REVISION AND CONSOLIDATION, AND CONSEQUENTIAL AMENDMENT OF OTHER LEGISLATION

The house resumed, from Thursday, May 25, consideration of the motion of Mr. Trudeau for the second reading of Bill No. S-6, to revise and consolidate the Interpretation Act and amendments thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act.

Mr. Speaker: Perhaps I should remind the house that when this matter was debated a few days ago the Minister of Justice had the floor at the time and was closing the debate.

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, the other day I had in fact concluded my remarks but a few questions were asked, notably by the hon. member for Peace River (Mr. Baldwin), and I said that before finally closing the debate I would endeavour to answer them to his satisfaction.

Among other questions the hon. member asked to what extent the bill we are now considering differs from the bill which last March was referred back to the house by the standing committee on justice and legal affairs, and to what extent these changes appear in the bill now before us. I pointed out that there were four extremely minor changes. He asked me whether I could give him a list of them, and I have one here. Although the hon. member is not here at present, I am sure he and other hon. members would agree if I indicate these changes when we reach the particular clauses in which they appear. These changes are of a minor nature; for instance, a word is changed from the plural to the singular. I have the list with me now, but I suggest that perhaps this would be more expeditious.

The other matter was the question of the definition of "regulation". The hon. member asked whether I would point out in the bill the clauses where the word "regulation" appears. In fact there are only three clauses in which this word appears. They are to be found on page 8 of Bill S-6, in clause 23 (2); page 17, clause 33(1) (b); and page 19, clause 37 (g).

I should like to point out that the bill uses the word "enactment" on practically every page, and sometimes several times on the page. If we look at section 2 of the Interpretation Act we see that "enactment" includes a regulation. Therefore every time the word "enactment" or "enact" appears in a section it includes a reference to regulation. In that sense, therefore, although the word "regulation" does not appear in a great many places, it is really included in the word "enact" which does appear frequently. That is why it was found useful in clause 2 (1) (e) to define the word "regulation" in a general way which will apply to all sections of this act.

Incidentally, in rereading what I said the other night I noticed that I indicated that since "regulation" is defined in the bill it would tend to apply to all other statutes. Of course this is not necessarily so. Clause 2 (1) (e) gives the definition of "regulation". When it appears in other acts it will have the particular meaning ascribed to it in the context or in the definition in that particular act. This is the factual answer to the question put to me by the hon. member.

When we reach the particular clauses the hon. member may want to discuss the interpretation we give to these words, but I think he was perfectly justified in asking me to point out the usefulness of defining "regulation". I repeat, the usefulness of defining it is that it appears in the word "enactment" in a great number of clauses of this bill.

• (3:30 p.m.)

The third question, which is more substantive, was asked by the hon. member and was then taken up by the hon. member for Winnipeg North Centre (Mr. Knowles). Subsequently it was taken up by the hon. member for Carleton (Mr. Bell). I was asked to give examples of cases where a regulation, in this general sense, could be made under the authority of the governor in council and not by virtue of a statute. I answered in a general way that there would be many such cases where the governor in council acts by virtue of the royal prerogative, which of course is the most obvious one.

The hon. member asked me for some other examples. I shall give a few today in the hope this will help the discussion. For instance, Mr. Speaker, when an ambassador is appointed under the Great Seal, this is done by the governor in council but not by virtue of any statute. This action is taken under a prerogative which, from time immemorial, has belonged to the king or queen under our form of government and has come down by way of prerogative to the governor in council who exercises the executive power. This is an example of a prerogative where an action is taken without the authority of a specific statute.

Another example is when the governor in council appoints a person as a queen's counsel or indeed confers upon him some other honour. These actions are not taken under the authority of any particular statute. It is a matter of the royal prerogative as it has been understood in this country.

If I may digress slightly, Mr. Speaker, I do want to remind hon. members that I am not at this time asking for the extension or indeed the restriction of the exercise of the prerogative. As I indicated the other night, perhaps this would be an interesting debate at some other time. Perhaps it might be useful if some members want to express their opinion on the utility of the restriction of the prerogative by statute. I do not want to enter into such a debate at this time. I merely want to remind hon. members that an interpretation act is certainly not the place to discuss this subject. An interpretation act merely tells us how certain words, certain sections of statutes or regulations should be interpreted. Such an act does not tend to create substantive law. Once again I say I do not believe the whole issue of the prerogative should be debated at this time.

I should like to give another example of action taken or regulations made under the authority of the governor in council but not authorized by statute. I cite the proclamation of a day to be observed, either in part or in totality, as a public holiday. There is no statute of which I know which authorizes the governor in council to do that. As an employer the government can do this. The government can decide to issue some rule, regulation, bylaw, whatever it is called in this definition, to the effect that today the employees can go home at three 'clock in the afternoon. This action is not taken under the authority of a statute. If such an order is given granting a holiday or part holiday or appointing a Queen's Counsel, it may be useful to know when the order takes effect. The Interpretation Act will permit us to say, if a day is mentioned, that it will begin on that day or, if an hour is mentioned, it will begin at that particular hour. The Interpretation Act will tell us whether it should be understood in terms of standard time or what.

These are a few examples. There are quite a few others which I could give if the discussion is continued. I do not want to prolong this debate. I believe I have given sufficient examples to indicate that the Interpretation Act is not increasing the government's power to issue regulations in the general sense. The intention of this bill is to show what the words mean, how they shall be interpreted in a case where the power does exist. However, Mr. Speaker, if the power does not exist under some statute or under some prerogative, then the Interpretation Act cannot create such power. If the power does exist under an act or under a prerogative, then the Interpretation Act tells us how the words we find in that act or regulation shall be interpreted. I feel I have covered the points which were raised in the first instance by the hon. member for Peace River (Mr. Baldwin), and I suggest we move to the clause by clause study of the bill.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

On clause 2—*Definitions.*

Mr. Howard: Mr. Chairman, I hesitated in rising because I thought other hon. members were going to explore further the matter of the definition of regulations. If that is not the case, I should like to raise one matter, not in any formal way which would require a decision but just to express a thought about what I feel is a fiction rather than a fact. Somewhere along the line, even though the Minister of Justice did not feel it appropriate to debate some of these matters in any depth, I submit we must make a determination on the matters before us.

I should like to refer to paragraph (e) of clause 2 which relates to the governor in council. In order to understand what governor in council means, we have to look at clause 28 on page 12 of the bill. I should like to read it:

"Governor in Council" or "Governor General in Council" means the Governor General of Canada, or person administering the government of Canada for the time being, acting by and with the advice of, or by and with the advice and consent of, or in conjunction with the Queen's Privy Council for Canada;

This is a bit of fiction, really. When we are talking about the governor in council we are talking about the cabinet because we know that the governor general's office has no real authority attached to it. We know that the authority which the monarch at one time exercised has been removed and rests in the hands of the prime minister and the other ministers. In view of all these definitions about who the governor in council is and what is the Queen's Privy Council for Canada, I would suggest that at some stage in our discussions we should dispense with them because in fact they are fiction.

• (3:40 p.m.)

I consulted my seatmate, the hon. member for Winnipeg North Centre, as to his understanding of what the Queen's Privy Council for Canada is and he substantiated what I understood it to be, that it embraces quite a number of people among whom are, of course, the Leader of the Opposition, Mr. Coldwell who for many years was leader of the C.C.F. party in Canada, and quite a number of others.

Mr. Knowles: The hon. member for Winnipeg South Centre.

Mr. Howard: In fact, most of the front benchers in the Conservative ranks, leadership candidates and others. They are all included in the definition of the Queen's Privy Council for Canada. However, I am sure that none of them is included in the definition of the governor in council because none of them, certainly those out of office, is consulted or invited to meetings of the Queen's Privy Council for Canada. The Governor General of Canada, in doing some of the things that is required of the governor in council, does not seek the advice of the privy council or ask for their consent or even work in conjunction with them.

I submit, Mr. Chairman, we should not perpetuate an archaic fiction of this sort in any law, whether it be the Interpretation Act or any other act. I would far sooner see us spell out what we are talking about here. When we are talking about the governor in council we are referring to the Governor General and the members of the federal cabinet, and that is all we are referring to. We do not include sundry other people who were at one time members of a cabinet or have been given honorary recognition by the title of "a member of Her Majesty's Privy Council for Canada". We should not perpetuate this fiction by continuing it in this act.

I understood the Minister of Justice in his closing remarks on second reading stage to say that he did not think that this was the place to become involved in any detail in the question of prerogatives. Yet, Mr. Chairman,

we are involved in them. The matter was raised by the hon. member for Peace River and by the hon. member for Winnipeg North Centre, who inquired what was meant by regulation. The Minister of Justice spent some time in explaining the reasoning behind doing things in this way.

I am wondering whether the minister of Justice has had any further thoughts about this question. For my sake I would far sooner see the phrase "governor in council" eliminated so that the Governor General is looked upon purely as a person with a title but with no authority in fact. I submit we should spell out in our law just what it is we are talking about when we talk of somebody having the authority to promulgate regulations, awards, proclamations, or whatever it is according to the definition here. If we define this authority as the cabinet or as the council of ministers, then let us say so instead of maintaining in the law something that is not the case in fact purely because we want to hang on to some piece of history which really has no present day value to us.

In this regard I am talking, of course, about clause 28, but we have to think about that clause in conjunction with clause 2. Certainly I think we should spell out what we mean by the Queen's Privy Council for Canada. We should say that it does not include everyone who happens to hold that title. If it is to include everybody who happens to hold that title, the Leader of the Opposition and his former cabinet colleagues should be invited to sit with the council when it makes decisions.

I am sure the minister would be surprised at the benefits that might flow from this sort of multi-party approach to government decision making. The Minister of Transport disclosed the other day that he was able to make a decision about a long standing issue merely because something had happened to him by accident. As the hon. member for Prince said, he would not presume that this government did anything deliberately. The admission on the part of the Minister of Transport that the government operates often by accident on a day to day basis leads me to suggest that the government would be well advised to draw into their council the Leader of the Opposition, or whoever may seek to replace him in that position, and others with the honorary title of a member of the Queen's Privy Council for Canada, which might give more sense to regulations that are put into effect from time to time.

[Mr. Howard.]

Apart from that last light-hearted comment, Mr. Chairman, I would appreciate some indication from the Minister of Justice, fresh and new to his position as he is but with his tremendous background of perceptiveness in matters of this sort, which would give the committee the benefit of his thinking about this particular aspect.

Mr. Trudeau: Mr. Chairman, the hon. member for Skeena has raised a very interesting question of constitutional law. I would go so far as to say that he is more than 99 per cent right in saying that when we talk of the governor in council we are in fact talking about cabinet. There are cases where all privy councillors can be summoned, either by the Queen or by the Governor General, though the chances are that this would be mainly for honorific reasons. Nevertheless this body does exist in fact. When we talk about the cabinet the hon. member is quite right, we are talking about a portion of the privy council. In reality, I think that under our constitution we call it the committee of the privy council.

I would agree with the hon. member that the term used here is archaic. If the hon. member wishes to indicate once again that this is the time to withdraw such archaic expressions from our law, I would explain to him why I believe that under our constitution as it is written in the British North America Act the expression "cabinet" does not appear. Nor, indeed, do many of the other institutions of our parliamentary form of government exist under our written constitution. For instance, I do not think you will find in the B.N.A. Act any reference to the word "party". Yet everybody knows what an important part parties play in the formulation of our laws and the workings of our parliamentary system of government.

The point raised by the hon. member for Skeena was that we should remove these archaic expressions when we can. Here again I agree with him, but I would point out to him the consequences of removing this expression in such a statute as this. It would mean that we would, in a sense, be saying that regulations can be made by an instrument of state—cabinet—which in a technical sense under our constitution does not exist. To put that another way, Mr. Chairman, under our constitution as it is written the executive arm of government is controlled by the governor in council, not by cabinet. If we were, therefore, in some particular statute denying the

reality of the governor in council and replacing "governor in council" with the word "cabinet", we would be using a word which does not have any formal existence in our written constitution.

• (3:50 p.m.)

Obviously the hon. member may well reply that our constitution is much more than what is written in the British North America Act and that is correct. The constitution of Canada is only partly written, in much the same way as the constitution of the United Kingdom is partly written but to an even smaller degree. The constitution of the United Kingdom appears in a certain number of statutes but the overwhelming part of it exists really in a fiction which is accepted by the people of the United Kingdom and which allows them to accept their parliamentary way of government.

In Canada, because we were creating a federal form of government and because we had to write a constitution at least to the extent that we were dividing powers between the regional and central government, we added other factors in our constitution which are archaic not only now but were archaic when they were written. We perpetrated these fictions, these expressions, because they were understood by the people of Canada to refer to a parliamentary form of government upon which we were modelling ours. Indeed, the preamble to the British North America Act indicates that the parliament of Canada is based largely on the kind of parliamentary system which then existed in the United Kingdom. We were doing at that time, therefore, the only logical thing we could do.

The next point then is: Should we change this constitution? The hon. member's party and the government party have some differences of opinion on this subject, not so much as to the idea of changing the constitution, perhaps but as to the timing of this change. To use the kind of jocular note that the hon. member used, I suggest that even in his party there is some disagreement about the kind of change which would be required in the present constitution. I can only suggest to the hon. member that this is not the occasion, under the guise of the Interpretation Act, to try to bring all parties in this house and all hon. members into agreement as to what the constitution should be.

One of the easiest matters upon which we could all agree and which could be carried out would be to remove some archaic expressions in the constitution. This, I suppose, will be done when next we revise or rewrite the constitution. The hon. member knows that it has always been my feeling that this particular kind of symbolic issue is not the most urgent kind of issue. I feel that if we were to reopen the constitution of Canada and begin to discuss with each other or even to fight over a purely symbolic issue, we might soon find that it would have been wiser to leave the symbols alone when they were working well. I do not think that the hon. member will disagree with me if I suggest that when we talk of the governor in council we really mean a committee of that council called "cabinet", and that the fiction is working reasonably well. That being so, I suggest that this afternoon we continue using that fiction at least until this bill has been passed.

Mr. Howard: May I just say that I have admired the tenacity with which the Minister of Justice has been glued to the archaic and the speed with which he wishes to move to stay in the same place.

Mr. Knowles: Mr. Chairman, I wonder whether there is not a relationship between the subject that the Minister of Justice has just been discussing with the hon. member for Skeena and the subject on which he was commenting just before the bill was given second reading. In this instance I refer to the matter that was raised the other evening. It arises from the provision in clause 2 which refers to regulations passed by or under the authority of the governor in council.

In replying to the hon. member for Skeena the Minister of Justice said that as we are getting along all right under a fiction, let us leave it that way. When we come to the question of the governor in council passing certain kinds of regulations, such as for the appointment of ambassadors or having to do with certain honours or appointments, he is not satisfied to continue to operate under the fiction that the government has that authority. He wants to put it in the statute. With great respect, I ask the minister to be consistent. If he is satisfied to operate under a fiction in the one instance, why not leave the other fiction as it is?

The point that the hon. member for Peace River, I and others made the other night with regard to the definition of "regulation" is that the government, so far as passing regulations is concerned, and admittedly for purposes of clarification, is putting in words which may well seem to enlarge the authority of the governor in council, that fictional body about

which we are talking. I felt that the minister, who was disarming in this matter, was a bit hard pressed to find examples of regulations passed under the authority of the governor in council that were not provided for by statute. Even if I accept the examples which were given as significant ones, I put to him again the question which I put to him the other night. Has the government in the passing of any of these regulations to which he referred been under any disability because the words "by or under the authority of the governor in council" are not in the Interpretation Act? Since the minister seems to go so far as to admit that he understands our apprehension, why can he not leave the matter as it is?

Let me recapitulate. The government is able to pass regulations of the kind the minister has described without having the reference I have mentioned in the act. Why, then, put that reference in when there is a possibility that it may suggest that the government, in terms of orders in council, has more power than even he thinks it ought to have? If I may come back to where I started, why does the minister want to leave one fiction as it is but not leave the other one as it stands?

Mr. Trudeau: Mr. Chairman, I can put the same type of question with the same type of reasoning to the hon. member for Winnipeg North Centre. Does he want to abolish all fictions in this country? Does he, or does the hon. member for Skeena, wish to abolish all references to symbolic instruments? I am willing to accept a challenge from either of those hon. members, and we shall start now, if they wish. Would they like to say what they think is archaic that ought to be abolished from our laws? Do they wish to say what is archaic and should be abolished in this very room—beginning with the mace and with the throne at the end of this room? I see the hon. member for Lotbinière is here. Perhaps he might join in the discussion. As hon. members know, part of our constitution exists largely because of its symbolic form, and certainly I should think that some members of the N.P.D. would admit that it is somewhat archaic in form.

• (4:00 p.m.)

I am saying that since we want to improve our laws in some specific instances, since we want to bring some of our statutes up to date by revamping the Interpretation Act for the first time in 100 years by including in it a number of definitions which will simplify the revision of our statutes and permit us, I hope, to revise them much more frequently, and because in seeking to do this the government is removing some of the archaic features of former statutes or adding to the present act certain provisions which have been developed by the courts in line with more modern ways of interpreting things, hon. members could, I suppose, argue that we should do this with every statute and every institution of our parliamentary form of government. But once again I say this is surely not the place at which to begin to discard anything that is archaic in our form of government. At the same time, on any platform outside this house I would accept the challenge from the hon. member for Skeena to indicate things which are archaic in our form of government and I do not mind going on record as saying that I personally am against many of them.

As a matter of political efficiency, however, I do not think this house or the country should become bogged down over symbolic issues when it has much more important things to do such as revising the statutes of Canada or meeting certain economic and social problems which are very much the concern of members of this house. I do not accept the hon. member's statement that I am glued to archaic institutions. I am sure I have no more attachment to them than has the hon. member for Skeena.

Mr. Howard: Except that I am not stuck with a prime minister who refuses to let me take any action.

Mr. Trudeau: No, but you are stuck with a leader who is stuck with a section in Quebec which has other views on the subject of archaicness than the hon. member appears to have.

Mr. Knowles: I suppose that if I say the minister is playing those two items off against each other he will retort that it was I who mentioned both of them when I was on my feet a few minutes ago. But I would suggest that in his most recent intervention he did not give sufficient consideration to the point I was trying to make about clause 2(1)(e)(ii). I ask him this question: Is he completely satisfied that there is need for this paragraph and that there is no danger whatsoever that it will enlarge the regulatory power of the governor in council?

Mr. Trudeau: That is a very clear question. I will answer the second part very clearly by saying I am convinced that this revised Interpretation Act will not give any power to

legislate either by order in council or by the authority of the governor in council which does not exist in some other statute or under some other prerogative. In other words, we are not creating any new powers here. I am confident of this. I can undertake too that there is certainly no intention on the part of the government to introduce by way of the Interpretation Act new authorities which the governor in council would not have under our existing law.

As to the other part of the question, whether this provision is absolutely necessary, I would have to confess in all candour that the revision of this statute as a whole is not absolutely necessary. We could drop out this particular subclause. We could, in fact, drop out several of these clauses. We could continue, I suppose, to use the former Interpretation Act. As I say, the intention of the government in introducing this bill is to simplify the writing and the understanding of statutes so as to permit statute law in Canada to take on as modern and as simple a form as possible. Once again, the objection which is raised to this clause is not an entirely spurious one. We could exclude this clause, but I would have to say the same about the bill as a whole. We could very well continue to live with the act which has been in existence in its general form for a hundred years.

The purpose of this bill, however, is, in a sense, to modernize statute law in Canada and the first step in doing so is to introduce an Interpretation Act which is as complete as possible and which will as far as possible simplify the use of interpretation sections in all the other statutes which we enact. This is the only answer I can give to the hon. member.

Mr. Knowles: May I ask one further question? Would it, then, be fair to say that the minister is in effect giving an undertaking that this government will not at any time when it passes an order in council claim section 2(1)(e)(ii) as the authority for that order in council?

Mr. Trudeau: Yes, Mr. Chairman, I can give that undertaking both for myself personally and in the name of the government. The government would not use this act or this particular section to give to itself an authority which it would not have under other acts or other prerogatives which might exist.

• (4:10 p.m.)

[*Translation*]

Mr. Choquette: Mr. Chairman, a most interesting discussion on the theoretical aspect is currently going on and I should like to look into the practical aspect of the question. Even though the principle that no one is deemed ignorant of the law is generally well respected in practice, I think its application has become extremely difficult today, since the legislation is getting more complicated every day, and I should like to ask the minister whether his department is willing to undertake an effort to popularize and bring within reach of the population some basic legislation which is totally unknown, yet in daily use.

For instance, the Queen's Printer, or the Official Printer if you will, could possibly publish booklets containing a summary of some important legislation which could be within reach of the population and could be made much more readily available. So I wonder if the minister could consider this possibility and see whether his department could make a special effort in this direction.

Mr. Trudeau: Mr. Chairman, the suggestion of the hon. member for Lotbinière is a very sensible and practical one, and I find it quite worthwhile.

It is obviously a question which may arise indirectly from the consideration now being given to this bill and, as far as I am concerned, I believe the government should consider increasing the number of publications to inform our people on our political institutions, particularly our constitutional institutions.

The hon. member is aware that a certain number of booklets published for the use of the citizens explain the general operation of our constitution, of our parliamentary system, and these booklets are available to the people and to the schools wanting them.

I agree with him that it would be useful to increase the number of these initiatives in the area where legislation is of such interest that the citizens could profitably use the popularization tools the hon. member suggests.

I would only add, Mr. Chairman, that in one sense, the purpose of the present bill is to enable the well informed citizens, who are often lawyers or notaries, to have on hand statutes which will be revised more frequently and more especially, the first chapter of such statutes which, to a certain extent, will

popularize the knowledge of the interpretation of the statutes making up the whole of our legislative system.

[*English*]

Mr. Fairweather: Mr. Chairman, I was interested in the last suggestion. The translation is interesting for an Anglaise. It comes out "vulgarized." We Anglaise would not use that word but we would understand it. I think the object should always be clarity in drafting statutes, and I think there has been an improvement in the last decade. However, I wish to try out the hon. member for Lotbinière on something and see if he is flexible enough to suggest the system which is now used in the United Kingdom where they have citizen advice bureaux in various centres throughout the country to help citizens. As a matter of fact, there is an excellent book about this by Lord Beveridge.

These bureaux advise and help the citizen interpret statutes, regulations, instruments, etc. I personally have an idea that this is an objective toward which we should be moving rather than even an ombudsman. The ombudsman is now almost a sacred cow but I have an idea citizens' advice bureaux would be a much more practical way in which to help citizens with advice on municipal, provincial and federal regulations. Like the Minister of Justice, perhaps the hon. member for Lotbinière and others could debate this somewhere else.

I have been intrigued by this past hour. At times one feels able to sympathize with policy enunciated by hon. members to my left, but every once in a while one comes across that inflexibility which makes those of us who do not espouse the New Democratic cause a little more understandable, because surely it is the very organic nature of our constitution that we should be seeking to preserve as free men.

I hesitate to interpret the minister because he gave a very interesting example of the flexibility he is trying to maintain. However, I think it is good to have this type of debate every once in a while. The hon. member for Skeena jocularly talked about the minister being glued to archaic instruments. Of course the hon. member for Skeena is glued to archaic concepts of constitutionalism, and his speech pointed out this fact.

I share some of the minister's views on symbolism, but I also have a view, quite unlike the hon. member for Lotbinière, that the abolition of symbolism without any reason for it, or any preparation of the public, is almost as severe a blow to the spirit of the public as is a major act of surgery. That too could be debated somewhere else because we do not want to hold up progress on this bill. But while we patiently listen to the nihilists I think we should remember that symbols over 100 years in this country have come to mean a very great deal to a very great number of people and that we should not be tinkering with them unless we have given our citizens a good preparation.

Mr. Trudeau: I would just make one comment on the remarks of the hon. member for Royal. I would agree in turn with what he said on symbolism, and I would remind him of an idea which was put forward by a very noted French writer and philosopher that any movement which bases its reforms on a neglect of the past tends to be fascist.

Mr. Olson: A few moments ago some hon. members were apprehensive about whether this new interpretation bill would expand the powers of the governor in council. The explanatory note relating to clause 2 states:

> The definitions of "act", "enactment" and "regulation" are new.

I would ask the minister whether or not the definition given for the word "regulation" is an expansion of the powers that are now considered to be proper so far as ministers are concerned and so far as the governor in council is concerned. The definition of "regulation" now includes such things as "an order, regulation, order in council, order prescribing regulations, rule, rule of court, form, tariff of costs or fees, letters patent," etc. I do not know whether that is an expansion of the concept of what can be attached to legislation by way of regulations and I would like the minister to explain it.

I would draw his attention also to clause 23(2). Without reading that rather long paragraph I would particularly direct the minister's attention to the explanatory note which reads as follows:

• (4:20 p.m.)

> The concluding words are new and are intended to make it clear that a deputy has not the power to exercise a minister's power to make delegated legislation.

Could the minister tell us whether or not there is any intention to expand the power of a minister to make delegated legislation by way of regulations? As is laid down in subclause 2 of clause 23, a deputy minister is not to have a minister's power to make delegated legislation. I am not aware that a minister

has any power at the present time to make delegated legislation, that is, to add regulations to legislation without passage by the governor in council. Apparently, however, when this distinction is made between what a minister may do and what a deputy minister may not do in so far as delegated legislation is concerned, the implication is that a minister does in fact have the power to make regulations which would be considered to be delegated legislation.

Since both these paragraphs in this bill are new I am wondering whether there is a real danger that there has been an attempt to expand the power of the governor in council to make delegated legislation or specifically the power of an individual minister to make delegated legislation by way of adopting regulations without securing passage of an order in council for those regulations which will be attached to the act.

Mr. Trudeau: Mr. Chairman, the point about a minister not having power to make delegated legislation, of course, is partly incorrect because a minister can under a statute issue a regulation. Many statutes authorize ministers to act by way of regulation or order or rules, and so on.

Mr. Olson: Under the Regulations Act?

Mr. Trudeau: No, under particular statutes. You will see that particular statutes give ministers the power to exercise regulatory functions. I believe I am repeating myself somewhat, but I should like to say that in a sense all these questions indicate a real preoccupation on the part of members of the opposition with the desire not to give any kind of arbitrary power to the government. Personally I not only share their concern but admire them for being so ticklish about this issue. I think we should always be wary of arbitrariness in government in whatever form it might appear.

Mr. Knowles: You are speaking from the inside now.

Mr. Trudeau: The inside of what?

Mr. Knowles: Inside the government.

Mr. Trudeau: I realize that and I believe I am speaking in the spirit this government stands for. Once again, perhaps repeating myself but in an effort to meet in another way the objection raised by the hon. member for Medicine Hat, may I say that if a minister or the governor in council does not now under some act, statute or indeed prerogative or general power have the authority to issue a regulation, rule of court, form, tariff and so on, that power will not be enlarged by virtue of this bill. Indeed, it matters little whether we call an arbitrary act a proclamation, a warrant, a bylaw, a resolution, or anything else. I believe it remains arbitrary and it would be foolish indeed for the government to think that it could hide an arbitrary act by giving it some other name or indeed a whole jumble of names such as those which appear here under clause 2(1)(e).

Therefore, to repeat myself once again, clause 2(1)(e) merely introduces the term "regulation" in this particular bill in order that every time the word "enact" or "enactment" appears in the following clauses of this bill—as I said earlier it appears on a great number of pages and sometimes many times on the same page—the intention, in the interpretation section of this bill, is to permit the whole act to have as wide application as possible. By the inclusion of the words "regulation" or "other instrument" we are merely making sure that when later in the bill we use the word "enactment" that will apply to all these particular instruments.

Let me give an example. If we should decide to appoint by proclamation a certain day as a public holiday or if we should decide to appoint an ambassador by giving him a commission under the Great Seal, a question for lawyers or for the courts may be how to interpret that particular proclamation or that particular commission under the Great Seal. They will look to the Interpretation Act and say: "Well, when we use such an hour or standard time, we will use subsection 34 of section 28 and this will permit us to know at what particular time the holiday begins or at what particular time the appointment under the Great Seal becomes effective".

To repeat what I was saying to the hon. member for Winnipeg North Centre, we could very well do away with many of these definitions. This would mean, however, that every time we have a proclamation, a statute, a warrant, a bylaw, a rule or regulation, at the beginning of the instrument we would have to indicate how the time factor is to be determined and when the day will begin, that is, whether it shall be at the expiry of the previous day or at the end of the day on which the proclamation is issued, and so on. The intention of the legislators in presenting this bill to revise and consolidate the Interpretation Act is to simplify the reading of these statutes and instruments and put in one place as great

a number as possible of these sections which permit their easy interpretation.

• (4:30 p.m.)

Mr. Olson: Mr. Chairman, I am sure the minister will agree that administering regulations is not the same as making regulations. That is the reason I am wondering about what is included in both clause 2 and clause 23. I have no disagreement in respect of the way the regulations are being enforced by the various ministers, deputy ministers and lesser officers but, as I said, the making of regulations and the enforcing of them are two different things. I should like to hear some explanation of why it is necessary to spell out a distinction between the powers of a minister and the powers of a deputy minister in relation to specific regulations, as has been done on page eight. It seems to me that the Regulations Act is the authority which gives the governor in council the power to attach regulations to almost any act passed by this house for its proper administration. If there are conditions under which a minister without referring to the governor in council has the power to make regulations, for example, in respect of delegated legislation, I am wondering whether this bill increases those powers. Is there some increase or expansion in respect of the powers of individual ministers in that they are not required to go to the governor in council regarding regulations to be attached to acts after they are passed by this parliament?

Mr. Fairweather: Will the minister not agree that by this clause the powers are narrowed?

Mr. Trudeau: Yes, Mr. Chairman, the hon. member for Royal is right in that this narrows the powers. The hon. member for Medicine Hat may very well ask why it is felt necessary that we must narrow them. I suggest this relates to a very well known legislative principle, that when power is being delegated it is being delegated to a specific authority or individual. This clause is intended to make sure that we do not depart from this well known legal rule concerning delegated powers.

The intention of clause 23(2) is contained in the first part having regard to a minister being empowered to do something, and this includes another minister acting on his behalf. For example, when the prime minister is not in the house it is understood that the acting prime minister has the authority to answer certain questions or do certain public acts on his behalf. If under a statute the authority is given to the prime minister to exercise a delegated legislative authority to make regulations and so on, it is understood that this is a specific delegation which does not apply to a deputy minister.

The intention of parliament in giving a minister authority under a specific statute is to make sure that the minister and no one else exercises that delegated authority. As the hon. member for Royal pointed out, the final words make it even more clear that under the accepted rule of law in respect of delegated authority to make regulations the minister and no one else will exercise that power.

As we all know, it is convenient in the absence of a certain minister to have the acting minister or the deputy perform certain functions. It is convient in such circumstances to have the acting minister or the deputy deputize on behalf of the minister. Under this clause an acting minister or a deputy cannot deputize for a minister in respect of delegated legislation.

Mr. Olson: Surely the minister is not talking about a deputized minister as being one of his colleagues in the cabinet. There must be a distinction between an acting minister and a deputy minister, and this is spelled out. It seems to me that the deputy minister referred to in this clause and the explanatory notes is the appointed deputy minister of each department. Surely he cannot be confused with an acting minister who is acting because of a temporary vacancy or in the absence of a minister.

I will accept the minister's explanation at this time, but let me say I hope that by spelling this out to make a distinction between a deputized minister and the minister of any department and adding a new interpretation in respect of regulations there is no intention to transfer any additional power to a minister, allowing him to make delegated legislation by way of regulation without obtaining the consent and approval of the governor in council.

Mr. Trudeau: Mr. Chairman, I share the concern spelled out by the hon. member for Medicine Hat. As I read this clause in relation to whether "deputy minister" means somebody who is deputized within the cabinet or who is a deputy minister in the sense of a civil servant, I think it would certainly apply to both.

Clause agreed to.

Clauses 3 to 15 inclusive agreed to.

On clause 16—*Her Majesty not bound or affected unless stated.*

Mr. Howard: Mr. Chairman, while I know the minister does not wish to have an involved discussion about other matters, I think clause 16 is the only clause which relates to the item I should like to raise. It is my understanding that if a particular act relating to wages, hours or working conditions of employees in the public service does not specifically state that it binds Her Majesty the employees in the public service do not gain the benefits of that legislation. Certainly this is true in respect of a number of laws in the province of British Columbia which relate to working conditions. For example, provincial employees are not covered by the semi-monthly payment of wages act.

• (4:40 p.m.)

I think the same situation exists at the federal level, that such laws as the Canada Labour (Standards) Code, which established certain conditions with respect to hours of work, wages, vacations and the like, are not applicable to employees in the public service because they do not contain the particular provision to which reference is made in the clause now before us. It would seem to me that perhaps this is a hold-over from the past. I am aware of the tender feelings of some hon. members for history and the preservation of old forms. However, I suggest that now is the time to change. Although I do not have as intimate a knowledge of such matters as the minister I believe that this provision came into being when employees in the service of the crown in England were not numerous and there was a tremendous struggle for workers' rights. The common acceptance of today for a short work day and a short work week, fair conditions, fair wages, statutory holidays, minimum wages and the like, did not exist in the days when this concept was developed.

It seems to me that what the parliament of Canada determines is fair and proper for employers and employees in private industry should also be fair and proper for employees in the public service of Canada, and rather than deal with this matter each time a new act comes before parliament relating to wages, hours, working conditions and the like I think we should deal with it here under this clause. We should not be asked to consider whether or not we want to make a particular law applicable to the employees in the public service each time a new act is passed. This should be considered standard practice, and the only way we can do it is by amending clause 16.

Incidentally, harking back to something the minister said, let me say that he will find I am less obstinate than others in regard to a variety of matters and perhaps just as amenable to a change of position as others. Possibly the minister can find a way in which we may attain the objective I have pointed out by some slight amendment to the clause. If he is agreeable in principle to what I am suggesting, it may be possible to hold this clause over to give us time to draft something and then come back to it after we have dealt with clause 43.

Mr. Trudeau: Mr. Chairman, the point raised by the hon. member for Skeena is indeed raised at the right place. The amendment which would achieve the object he seeks would be very simple. It would consist of deleting the clause completely. He is right. If we did it here it would apply to the whole of our statute law and it would abolish a very ancient principle of English common law according to which the crown is not bound by a statute unless it is specifically mentioned in the statute. I understand that the hon. member wishes to achieve this result, and this could be done simply by deleting this particular clause.

The only question I will put to the hon. member is whether or not it would be proper to do away with this very ancient principle in order to achieve the particular result for which he is hoping. Although this is only a wild guess, I suggest that we would not only be doing away with an ancient principle but with a very important one both in common law and in statute law, one which is a very important cornerstone of our constitution, because the deletion of this clause might be interpreted as an intention expressed by parliament to bind the crown under every statute. For instance, when laws are passed concerning taxation, tariffs or even provisions under the criminal law stating that no person shall do such and such, this would mean that these laws also bind the crown.

I am afraid that the effect which we would achieve would be of much greater consequence than the hon. member suspects. There are other ways of achieving the result he seeks, which I suggest in particular cases is a desirable objective. One is for parliament to use the reverse rule and to say in a statute that it binds the crown. If this was not done

at the time the statute was passed, it is always open to parliament to express its intention to bind the crown under a particular statute. However, quite frankly I feel that to decide all at once that all statutes would be binding on the crown, without re-examining all our statutes thoroughly and completely, would be reckless at this time. I am afraid that if we did this we would find that the crown in right of Canada and indeed in right of the provinces would have its powers altered in a very drastic way. I suggest that if the hon. member wants to achieve the aim he is seeking, he can do it much more safely and efficiently by introducing an amendment to that effect in a particular statute rather than by attempting to do it through the Interpretation Act.

Mr. Howard: Mr. Chairman, I should like to say a few words to the minister in reply. I raised a particular matter. The minister proposed his own solution and then proceeded to demolish his proposal. I did not suggest that we should delete this clause. That is what the minister suggested, and then he proceeded to say that if we did so, such and such consequences would flow from it. What I suggested was an amendment. I implied at least that I had no particular proposal to amend the clause but that if we desire to protect employees in the public service, which is my concern, to the same degree as we demand protection for employees in private industry, then perhaps we should consider amending clause 16.

• (4:50 p.m.)

I suggest that we could perhaps hold this clause over in order to amend it to provide such protection in the interests of the employees of the public service. I am sure the minister knows that I neither suggested we should wipe out this provision entirely nor did I intend to make that suggestion. I ask the minister to look at the matter in the light of the desirability of having applicable to the employees of the public service the minimum standards which we require private industry to meet. This is all I am suggesting.

The amendment might spell that out, if the minister is agreeable to moving such an amendment. I do not have any words to suggest that might fill the gap, but I would appreciate the minister considering the matter in the light of my suggestion rather than in the light of the suggestion I wanted to wipe out the whole thing.

[Mr. Trudeau.]

Mr. Trudeau: I apologize to the hon. member. I did not mean to put intentions into his mind or words into his mouth. I was perhaps reasoning a bit theoretically when I was pointing out the consequences of a particular amendment to this particular section. I hope I will not irritate the hon. member if I indicate he is not being as consistent as I am if I refuse to agree that this would be a good amendment. I would argue in the same way as I was arguing when we were talking about clause 2 (1) (e). At that time I was arguing that the Interpretation Act is not the place to increase the powers of the governor in council or of any other authority. I would argue that the Interpretation Act is not the place to decrease such powers. In other words, the hon. member is suggesting an amendment which would be, in effect, substantive law and which would have the effect of decreasing powers conferred under some other statute.

Here again I respect the intention of the hon. member but I would plead with him that we will have some difficulty in ever agreeing upon an interpretation act if we use it on our side to increase powers which we might have under other statutes—which I denied was our intention—or if the other side uses it to decrease powers which are conferred on authorities under statutes. This is the suggestion of the hon. member. Once again I am not pleading that his argument is not well founded. I am just saying that it would defeat the whole spirit of the Interpretation Act if we were to use it in order to increase or decrease powers conferred under some other statute or under some other instrument.

Therefore I would not be agreeable to the suggestion that such an amendment be made, for reasons of logic and theory rather than for reasons of substance. It is a point of order more than a point of substance, Mr. Chairman.

[*Translation*]

Mr. Choquette: Mr. Chairman, before adding my support to that of the others, I should like a word of explanation about clause 16 which reads as follows:

> No enactment is binding on Her Majesty or affects Her Majesty or Her Majesty's rights or prerogatives in any manner, except only as therein mentioned or referred to.

If an hon. member, for instance the hon. member for Carleton (Mr. Bell), moves the abolition of the royal power of dissolution, which experts in constitutional law, such as Mr. Eugene Forsey, consider as the erosion

of the prerogatives of the crown, in short if the hon. member for Carleton, instead of introducing a resolution, had put a bill on the order paper, I should like the minister to tell me what should be done, according to the suggestion of the hon. member for Carleton, to arrive at the erosion of the prerogatives of the crown and more specifically at the abolition of the royal power of dissolution.

Mr. Trudeau: Mr. Chairman, I think I can give a brief answer to the question of the hon. member for Lotbinière (Mr. Choquette).

If a statute were to remove the power of dissolution from any authority without spelling out what dissolution is involved, it would have to be understood that this in no way would affect the right of Her Majesty to use such right.

This clause clearly explains that if it was desired to deprive Her Majesty of her right to dissolve Parliament, this would have to be spelled out. It could not be inferred from an intent conferred upon another person in a statute.

Mr. Choquette: That is to say that the hon. member for Carleton, for instance, could introduce a specific piece of legislation to abolish the royal power of dissolution and then, if the House of Commons or the Senate were to adopt it, it would become law and it would no longer be necessary to consult the Parliament at Westminster or Her Majesty the Queen?

Mr. Trudeau: Mr. Chairman, the hon. member is right. If it were to be specified in this statute that such a right is abolished and if this statute or this legislation were to be passed according to the requirements of our parliamentary system, this would affect the power of dissolution as he has indicated.

[*English*]

Clause agreed to.

Clauses 17 to 24 inclusive agreed to.

On clause 25—*Time limits and holidays.*

Mr. Knowles: There is a minor point in connection with clause 25, Mr. Chairman, to which I made reference when we were at the second reading stage. I refer to it again now merely to ask the Minister of Justice whether he has given any more thought to it. Subclause 9 of clause 25 reads as follows:

> A person shall be deemed not to have attained a specific number of years of age until the commencement of the anniversary, of the same number, of the day of his birth.

If I may put that in practical terms as I understand it, it would mean that if a person were born on June 1, 1949, he would be legally 18 as of last night at the stroke of midnight, today being June 1, 1967. In other words, he would have been legally 18 at the moment when this day started. As I pointed out the other night, section 3, subsection 1 of the Criminal Code reads as follows:

> For the purposes of this act a person shall be deemed to have been of a given age when the anniversary of his birthday, the number of which corresponds to that age, is fully completed, and until then to have been under that age.

In other words, for the purposes of the Criminal Code the mythical person to whom I referred a moment ago who was born on June 1, 1949, would not be 18 years of age until midnight tonight. We are talking about a difference of only 24 hours, but it could mean quite a bit in terms of life or death.

I caught the force of what the minister said the other night when he answered me to the effect that the intent of the Interpretation Act was to reach uniformity as far as possible. But in spite of this, Mr. Chairman, does it not seem a bit odd to have two definitions of the point in time at which one reaches any particular age, so far as the law is concerned? As I say, I do not intend to engage the house at length on this question but I am wondering whether the minister has given any further thought to the matter and whether the government has considered having the same definition of one's age in all statutes.

• (5:00 p.m.)

Mr. Trudeau: Mr. Chairman, I have given the matter a little thought but I have not done sufficient research to permit me to give other examples of inconsistencies in our statutes. I can only repeat what I said the other night, that the purpose of the Interpretation Act is to simplify as much as possible the use of words and interpretation of meanings in all statutes, both those passed and to come.

Certainly there are many other statutes which give to particular words or computations of time particular meanings or rules. When this happens it may be that the legislative arm of government has decided that for a particular purpose it is good to change the general meaning given to words or computations of time in the Interpretation Act.

With regard to the example given by the hon. member, as I say, Mr. Chairman, I have not done the research which would permit me to speculate on the reasons that our Criminal

Code computes a person's age in this particular fashion. I imagine that it is a traditional way of doing things. It has most probably issued from the common law and usages prevalent at the time when our criminal law in Canada came to be adopted. I cannot give any other reason. All I can say is that though the argument of the hon. member for Winnipeg North Centre is an interesting one it could be repeated in many other cases. He himself the other night gave another example of definitions in particular acts which meant different things from what they mean in this act. Here again I can only suggest, if such result is undesirable that when parliament has before it either the Criminal Code or any other particular statute it will have to bring its definitions and its interpretations into line with those suggested in the Interpretation Act.

At the end of the bill the hon. member will see reference to certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act. This is an attempt, in certain very simple cases which have some urgency and importance, to achieve the kind of consistency that the hon. member suggested was desirable and which I would agree is desirable. I think in these matters we should have as much simplicity and consistency as possible in the use of words and interpretation of statutes.

However, Mr. Chairman, I think once again we would delude ourselves if we thought we would be meeting the hon. member's objection to this particular clause by using a definition of "age" which would be consistent with that in the Criminal Code. Although we would be consistent with the definition in the Criminal Code we would most probably be very inconsistent with other computations of age which are prevalent in, shall we say, the business world for other purposes such as banking, insurance, pensions. Indeed, we would be changing the election act, giving it new meanings in terms of voting age, and so on.

I agree that consistency is an objective. I suggest that the Interpretation Act is achieving consistency as much as possible, but it does not purport to be amending at one feel swoop all other existing statute law and imposing the same definition and interpretation as those which will prevail as a result of this particular law. The effect that the hon. member desires and which I feel is desirable can be achieved only by parliament giving attention to the particular statutes and amending them as they come before it.

[Mr. Trudeau.]

Clause agreed to.

Clauses 26 and 27 agreed to.

Clause 28—*Definitions.*

Mr. Trudeau: Mr. Chairman, I want to carry out the undertaking I gave a little earlier when I said there were certain minor changes in this bill from the bill referred back to this house without change by the standing committee on justice and legal affairs last March. If you will permit me, sir, I will indicate four places in this particular clause where very minor changes have been made. These four changes are the only differences which exist between this bill and that which went through the standing committee last March.

In the previous bill, which was Bill No. S-9, Subclause 2 of clause 28 read as follows:

"active service forces" means the components of the Canadian Forces that are referred to in the National Defence Act as the active service forces;

This clause has now been dropped completely. The reason for this is that on the coming into force of the Canadian Forces Reorganization Act the expression "active service forces" will no longer be used in the National Defence Act. Therefore, in a sense it is a definition which is redundant because it will no longer be used. That is the first change.

The second change is in subclause 18 of clause 28 of the former bill, which defined "holiday". Because of the renumbering of the clauses this provision has become subclause 17 in this bill. In the previous bill we had a subparagraph which specified that in the province of Quebec there existed certain non-juridical days. This subparagraph has been dropped because between June, 1966, when this subparagraph was added to the definition in the former bill, and May, 1967, when this particular Bill S-6 was given first reading in the Senate, the civil law of Quebec had been changed in such manner that the particular holidays mentioned ceased to be non-juridical days. In other words, the civil law or, more precisely, the code of civil procedure of the province of Quebec was amended in such way as to make one particular part of clause 28 of the former bill now useless. The law of the province of Quebec is now the same as the law of the other provinces in this respect.

• (5:10 p.m.)

The third minor change in clause 28 appears in what were previously subclauses 32 and 33 where we used the expressions "regular forces" and "reserve forces". If one looks at the new subclauses 31 and 32 one will see, for reasons which are apparent to hon. members, that the plural has been replaced by the singular and that we no longer talk of "regular forces" but of "regular force" and "reserve force" in these new subclauses. This is, therefore, a minor change, though admittedly the reasons which led to it had been considered major by a great number of hon. members.

Finally, I wish to refer hon. members to clause 28, subclause 5, which speaks of the Commonwealth. This was formerly subclause 6. The definition of "Commonwealth" is the same in both subclauses except that the schedule to the bill which hon. members will find on page 22 of the bill now in their hands has replaced the schedule which appeared on page 22 of the previous bill. The schedule has been updated to reflect the recent additions to the Commonwealth membership, those being, of course, Barbados, Botswana and Lesotho. These states have been added to the schedule because they are now independent states and members of the Commonwealth. These are the four minor changes which I undertook to bring to the attention of hon. members.

Mr. Hales: May I ask the minister a question. On page 11 there appears the word "broadcasting" which I notice is new. I wonder whether by this change in terminology the word "broadcasting" could in any way mean that a cable television operator would be classified as a broadcaster?

Mr. Trudeau: I confess, Mr. Chairman, that offhand I cannot answer this question. The hon. member is quite right in suggesting that the part to which he refers is new in terms of this Interpretation Act when one compares it with the original act of 100 years ago. I had not included the definition of this word in my four minor changes because the word "broadcasting" appeared in Bill S-9 which went before the standing committee on legal affairs. I was not present before the committee and I cannot say if a question similar to the hon. member's was answered at that time. I can only say that if it was raised it must have been answered to the satisfaction of hon. members because they sent the bill back to the house without amendment.

Mr. Hales: Will members have an opportunity to discuss this matter further?

Mr. Trudeau: Perhaps by reading the subclause I might be able to answer the hon. member's question. I stand to be corrected by any contrary-minded learned lawyer in the house, but I suggest that where this subclause refers to "radioelectric communication, including radiotelegraph, radiotelephone, the wireless transmission of writing, signs, signals, pictures and sounds of all kinds by means of Hertzian waves" it refers to transmissions or broadcasts without the use of cables or wires. The expression used in the subclause is "including", and that does not necessarily mean that other forms of broadcasting are excluded. I suppose that could be an interesting point in arguing before a court. Frankly, on my reading of this part of the subclause, I would not be able to answer the hon. member's question with certainty one way or the other. If the hon. member wishes to explain to me what has concern is I might be able to add some further words of explanation.

Mr. Hales: The point is that the people who operate cable television systems maintain that they are not broadcasters in any sense of the word. They are disseminators or relayers of programs which have been already produced. They are not broadcasters. I am not certain whether in adopting the terms used here we are not saying that operators of cable television systems are broadcasters.

Mr. Trudeau: On this point I can re-assure the hon. member. The definition of broadcasting here comes in reality from the Radio Act which is already a statute of parliament and has been one, I think, since 1952. This definition was taken from that act. This subclause we are now discussing does not and is not intended to take away from anybody powers that they had under the Broadcasting Act, nor does it give or intend to give anybody powers which they do not have under the Broadcasting Act.

I have a note here which I wish I could read because it has something to do with broadcasting legislation.

Mr. Knowles: Maybe someone could broadcast from the gallery.

Mr. Trudeau: I see that somebody is trying to help me, and I am very thankful for that, by reminding me that this definition will be reviewed when the Broadcasting Act comes before parliament as it is supposed to do.

Interpretation Act

Mr. Knowles: Mr. Chairman, in the references that the Minister of Justice made to the subclauses of clause 28 which have been altered slightly since last year he referred to subclause 17. I should like to direct his attention and that of hon. members generally to this subclause, and I wish to suggest the addition of a few words which I hope the minister will be able to accept. If by any chance he feels that he must consult with his colleagues before answering me, I trust that this can be done before we conclude the consideration of this legislation.

• (5:20 p.m.)

Subclause 17 of clause 28 gives the definition of "holiday". In the main part of the subclause the following days are listed as holidays: Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, the Queen's birthday, or the day fixed by proclamation for the celebration of the birthday of the reigning sovereign, Victoria Day, Dominion Day, the first Monday in September, designated Labour Day, Remembrance Day, and any day appointed by proclamation to be observed as a day of prayer or mourning or as a day of public rejoicing or thanksgiving, and so on. The "so on" refers to a couple of subclauses relating to holidays proclaimed in a province, or in a city, town or municipality.

My concern at this time relates to certain of these specific holidays, the list of which I have just read. As hon. members know, some of these holidays fall on days which are fixed by tradition in such a way that we would not think of moving them one way or the other. Though Easter itself is a movable feast, Good Friday always falls, of course, on the Friday before Easter Sunday and Easter Monday is always on the Monday after Easter Sunday. Labour Day is always celebrated on the first Monday in September. Victoria Day is the day on which we celebrate the birthday of the reigning sovereign and we have declared by statute that this falls on the Monday preceding May 24, not on May 24 itself unless that day is a Monday.

Hon. members are probably aware by now of the point I am about to make, because I have asked questions about this on one or two occasions in recent weeks, namely, the somewhat strange situation which arises because the hundredth birthday of this nation, Dominion Day, 1967, falls on a Saturday, a day which is already a day off for many people. The result is that for a great many Canadians there will be no holiday in terms of a day off work. My request to the Prime Minister was that because Dominion Day falls on a Saturday this year arrangements should be made for Monday, July 3, also to be a holiday.

I wish to make it clear that I was not suggesting and do not now suggest that Monday, July 3, should be Dominion Day rather than the Saturday, July 1. But I maintain that if there is any excuse at all for a long week end there should be a long week end in celebration of the hundredth birthday of this nation.

A few days ago an hon. member of this house brought in a bill to change the name of Dominion Day to "Canada Day" and at the same time to provide that it be celebrated always on the first Monday in July. I am very sympathetic toward the first part of his bill, the proposal that the name should be changed, but I am not yet persuaded that it would be a good idea to have it always on Monday because there is something traditional, almost sacred, about the first day of July, and I think that should be the date.

We already provide by statute that if July 1 falls on a Sunday, July 2 shall be a legal holiday. There are several laws of that kind in our statutes. That kind of provision originated, of course, in the days of the six day work week. The five day week is now reasonably general and I submit that the same motives as those which led to the decision that a holiday falling on a Sunday should result in a public holiday on the following Monday should now be applied here and that a holiday which falls on a Saturday should be followed by a legal holiday on the Monday immediately thereafter.

I asked the Prime Minister about this on Thursday, May 18, at which time he said he would look into the matter. I asked him about it again on Friday, May 26, as reported in *Hansard* at page 603, and perhaps I might read the right hon. gentleman's reply on that occasion. These are the Prime Minister's words:

> I have been looking into the matter. It seems quite clear that in so far as the public service of Canada is concerned the subject is covered by the public service terms and conditions of employment regulations, which became effective in March of this year. In accordance with these regulations a great majority of public servants will get a holiday on July 3. So far as parliament is concerned, it will of course be the responsibility of the house to decide whether or not to sit on that day. There has been some discussion on that score among the house leaders.

There is one more sentence I should like to quote from the Prime Minister's reply. It

dealt with the whole point of my question. These were his words:

> So far as declaring an additional public holiday in the country is concerned, that can only be done now by legislation, I believe.

I hope this was not just an excuse on the part of the Prime Minister for not doing anything about it. I hope, rather, that he was conscious of the fact that Bill S-6 was before parliament and that we would have an opportunity to amend this legislation so as to provide that the Monday following a holiday which falls on a Saturday should also be a holiday.

That is the proposal I intend to make, and I shall place it before the committee of the whole house in the form of an amendment which I believe will meet the situation. I hope the government will accept this or, if the minister feels there has to be consultation with other ministers, that he will take the matter under advisement. In other words, I am not seeking a quick decision or an immediate vote. I think the point I am making is one which will appeal to hon. members generally and to the people of this country, and as such I trust it will be favourably considered.

In support of my argument let me say once again that it strikes me as passing strange we should have long week ends so often to celebrate so many things but when we come to this historic day about which we have all been thinking so much, July 1, 1967, the hundredth anniversary of the confederation of Canada, we should not have a long week end in which to celebrate it. Some people will get it. Apparently the public service will get it. I have heard that the banks are likely to declare this day a holiday and others may follow suit. Why should we not make it a general holiday?

I do not propose an amendement which will deal merely with this one day in this one year. I think that while we are dealing with the matter we might as well cope with the situation generally. The minister and my hon. friend from Skeena were debating a few minutes ago about which one of them was glued to a certain kind of chair. Let us all come up to date. Let us recognize that we are in the era of the five day week and that a holiday is not a real holiday to a great many people unless they get a day off as part of the celebration of that holiday.

This could be brought about very simply by adding a few words in line 33. I ask the Minister of Justice and others to look at subclause 17 on page 12 of the bill. In line 33 after the words "Remembrance Day" one can simply put in the following: "any Monday which follows immediately after any of the foregoing holidays when any such holiday falls on a Saturday."

• (5:30 p.m.)

If hon. members look at my proposed amendment closely they will see it does not say the holiday is to be the Monday instead of the Saturday. It says Monday is to be a holiday as well as the holiday already defined in the earlier part of the subclause.

Mr. Trudeau: Since the hon. member's amendment is meant to apply to all the previously stipulated holidays, how would it apply to Labour Day which is the first Monday in September?

Mr. Knowles: I was coming to that, Mr. Chairman. If the minister and others will look at the proposed amendment closely they will see that the wording is such that it could apply only to four of the days that are listed. It could not apply to Labour Day because it never falls on a Saturday. It could not apply to Good Friday because it never comes on a Saturday. It could not apply to Easter Monday because it never comes on a Saturday. We have already fixed the birthday of the sovereign on a Monday. The only dates in that list from lines 27 to 33 that can fall on a Saturday are Christmas, New Year's, Dominion Day and Remembrance Day.

Mr. Trudeau: Victoria Day?

Mr. Knowles: I think the minister will agree with me that Victoria Day is just put in there for legalistic purposes. We do not get both the day for celebration of the reigning sovereign's birthday and Victoria Day, because by practice one is declared to be the other, and it now comes on the Monday preceeding May 24. What I am speaking about can refer only to four days, Christmas, New Year's Day, Remembrance Day and Dominion Day. Someone asks about Sunday, but Sunday never falls on a Saturday.

Mr. Byrne: What about the Seventh Day Adventists? You have not covered them.

Mr. Knowles: I believe, the Seventh Day Adventists do not call Saturday Sunday; they call it the seventh day. Please note, Mr. Chairman, that my amendment is not asking in a wholesale way for four extra holidays every year. There are some years in which

none of these four days will fall on a Saturday. Two of them could fall on a Saturday in the same year, but only two. They are Dominion Day and Remembrance Day. They always fall on the same day of the week every year.

Mr. McCleave: I think it would mean one day every two years.

Mr. Knowles: Yes, I think the arithmetic of the hon. member for Halifax is correct. On one day out of every two years we would get a holiday falling on a Saturday which by the terms of my amendment would be recognized as the holiday but it would be followed by the Monday thereafter also being a holiday.

I offer this amendment as the answer to the plea made by the Prime Minister. On Friday morning, May 26, the Prime Minister seemed anxious to meet my request. He said that the civil service will get the day off but that as for parliament it is up to parliament itself. He added that as for the country generally it could only be done by legislation. My first thought was to produce a private member's bill, but the chance of getting it passed by July 1 would be nil. Then I realized we had this legislation before parliament and we could do it under this legislation.

To place the matter formally before the committee I move:

That subclause (17) of clause 28 of Bill S-6 be amended by inserting, on page 12, in line 33, immediately after the words "Remembrance Day;" the following words:

"any Monday that follows immediately after any of the foregoing holidays when any such holiday falls on a Saturday;"

If I may, I would like to read the subclause as it would then appear:

(17) "holiday" means any of the following days, namely, Sunday; New Year's Day; Good Friday; Easter Monday; Christmas Day; the birthday or the day fixed by proclamation for the celebration of the birthday of the reigning sovereign; Victoria Day; Dominion Day; the first Monday in September, designated Labour Day; Remembrance Day; any Monday that follows immediately after any of the foregoing holidays when any such holiday falls on a Saturday; any day appointed by proclamation to be observed as a day of general prayer or mourning or as a day of public rejoicing or thanksgiving; and any of the following additional days—

I think my proposal really meets the wishes of members generally. I think it certainly would be in accord with the desire of the general public. Here we have the chance to see to it, since long week ends are a way of celebrating a holiday, that that is what we will have for our one hundredth birthday.

[Mr. Knowles.]

Mr. Choquette: Why did you not feel like including June 24 in your list? I remember you were one of those who moved the amendment to the house rules. You were one of those who accepted that June 24, Jean Baptiste Day, be a holiday.

Mr. Knowles: I thank the hon. member for his reference to that. I had the privilege of drafting and moving the amendment to the house rules which, provides the nine holidays that the house has and June 24 is one of them. I have given serious thought to the point raised by the hon. member and I wish to make two comments. One is that maybe it is covered in paragraph (a) of subclause 17. However, there is some doubt as to the generality of that coverage and for that reason my colleague, the hon. member for Skeena, has an amendment to this effect sitting on his desk which will be moved after we have dealt with the one I have raised. We felt the two issues should be dealt with separately, but I have no objection to the desire of the hon. member.

Mr. Hales: Mr. Chairman, with respect to the amendment moved by the hon. member for Winnipeg North Centre I am in full sympathy with his thinking with regard to the July 1 week end, and I can see very good reasons for making it a holiday in the year 1967. I am in full accord with that, but I wonder whether we should pass legislation that will have effect in all succeeding years.

• (5:40 p.m.)

I am thinking primarily of the retail businesses of this country. The retail stores count on Saturday being one of their biggest days in the week. If the holiday were moved to the Monday this would be very detrimental to the retail trade generally in Canada. If cases such as those mentioned by the hon. member arise, I think the municipalities would be in a position to take care of the situation and could introduce legislation to do so at that level of government. I conclude my remarks by saying what I said at the beginning. I am in accord with the hon. member's thinking for this year but I do not think the house should pass legislation affecting all succeeding years.

Mr. Trudeau: Mr. Chairman, I agree with the hon. member who has just spoken. I repeat once again the argument I seem to have repeated a great number of times since we began our discussion of this bill. I believe it is a mistake to use this act to achieve purposes which could be more rightly achieved in conformity with the intention of parliament by amending some other act.

The hon. member for Winnipeg North Centre referred to an existing statute which says that when a certain holiday falls on a Sunday it shall be celebrated on the Monday. Surely this would be the proper place to introduce an amendment of this kind or indeed, as he indicated, by way of a private member's bill.

Mr. Knowles: That would be for our second centennial.

Mr. Trudeau: Before the hon. member feels too certain about what he says, I should like to point out to him that by introducing this kind of amendment in respect of this kind of a bill, in other words, by diverting the intention of the bill to achieve a particular purpose such as that which he hopes to achieve, he may in reality be defeating his own purpose. It is obvious, if this amendment should be accepted, that the hon. member would have introduced an amendment which does not apply to many other acts. For instance, it would not apply to civil service holidays because civil service holidays are not mentioned in this particular subclause and are not covered by the particular amendment which he suggests. Nor would it cover bank holidays which come under the Bills of Exchange Act. The other night he gave the example of the Canada Labour (Standards) Code which sets out a number of holidays. These holidays would not be affected by this particular amendment.

These are examples of the various holidays which would not be affected by this amendment. They would, however, be affected by a more specific bill such as that which he suggested he could introduce or by amendment to legislation dealing with holidays falling on a Sunday.

The burden of my argument is that parliament should exercise as much logic as possible. An effort, through laudable intentions, to get bits of legislation into acts by the side door really does not fit into the framework of statute law when those acts are designated for other purposes. If we did this frequently we would have statutes which would be more complicated than they are and we would have members of the opposition complaining that it was not intended that legislation should be introduced by the back door into statutes which were adopted by parliament for a certain purpose.

To sum up, I should like to say that if this amendment were adopted it would perhaps achieve in the short run the effect of giving a holiday in this particular year on the Monday, whatever date it is, but in the long run it would be introducing a principle of confusion into our statute law. I suggest that once again we would be defeating the whole spirit of the Interpretation Act if we use it to change substantive legislation in this way. It would be back-door legislation and I do not agree with that procedure. If the government were prepared to agree to the intention the hon. member has in mind, I would suggest the way this should be done would be to proclaim that particular day as a holiday which, as I say, is a right the government possesses in a particular case by virtue of the royal prerogative. Surely if the government wanted to do that it would do it, and if it should not want to do it surely it should not be expected to accept that it should be done by back-door or side-door legislation.

Mr. McCleave: Mr. Chairman, I understand the effect of the amendment of the hon. member for Winnipeg North Centre is that whenever Christmas Day, New Year's Day, Dominion Day or November 11 fall on a Saturday these holidays should be celebrated on the following Monday. If I am correct in my calculation this would mean that probably only one day in every two years would be changed. There are four holidays involved and one would expect the ratio to be about four to seven so far as years are concerned. I find that July 1 and November 11 both fall on the same day of the year and Christmas and New Year's both fall on the same day of the year. In the case of Christmas Day and New Year's Day, they are one week apart; in the case of July 1 and November 11 they are several weeks apart.

I have some doubt whether I should support the amendment of the hon. member for Winnipeg North Centre. I have no very strong views concerning New Year's Day or Christmas Day, but I believe November 11 is not a day which should be celebrated as a day for a holiday but rather as a day for true remembrance no matter on what day of the week it should happen to fall.

For this very simple and perhaps emotional reason I have changed my position in the last ten minutes. I think we can handle any specific problems which arise. Perhaps the amendment could be introduced in a way which would be more acceptable so far as Christmas Day, New Year's Day and July 1 are concerned, but I would opt for the proclamation method rather than the statutory approach. For these reasons I shall vote against the amendment.

Interpretation Act

Mr. Knowles: Mr. Chairman, there are two or three things I should like to say with regard to the remarks of the hon. member for Halifax and those of the Minister of Justice. First, I should like to make very clear again that in proposing these Monday holidays in the four cases mentioned I am not proposing—and the wording of my amendment would not accomplish this—that the holidays be on the Monday instead of the Saturday. This is not a proposal that July 3 be Dominion Day or that November 13 be Remembrance Day this year. It simply is a proposal that those days be days off as well as the Saturdays but that in both cases the day to be celebrated would still be the calendar day, July 1 for Dominon Day and November 11 for Remembrance Day.

• (5:50 p.m.)

The Minister of Justice suggested that this should be done by a bill amending the particular statute rather than by amending the Interpretation Act. That is a very nice suggestion if the government is willing to give consideration to such a bill. I could put a bill on the order paper but it would be number 115 or 120, and its chances of being reached would be nil. That suggestion has meaning and significance only if the government is prepared to adopt the idea.

The minister also suggested this should be done, if it is to be done, by proclamation rather than by legislation. Yet the other day when I asked the Prime Minister about it a second time, so he would get the point quite clearly, he said it could only be done now by legislation.

Mr. Trudeau: Perhaps the hon. member should read the passage again, because it seems to me the Prime Minister was talking in a general way about having this done in the future. I said specifically that if we were proclaiming it we would have to do it each time.

Mr. Knowles: If the minister reads the question and answer as they appear on page 603 of *Hansard* for Friday, May 26, I think he will see that I was talking about a situation created by the fact that July 1 this year falls on Saturday. I asked the Prime Minister particularly whether Monday, July 3, 1967, might be declared a legal holiday so that all Canadians would get at least one day off for the celebration of our hundredth birthday. In other words, my question related only to the celebration of our birthday this year. I read the Prime Minister's reply in full a few moments ago, but in his final words he said:

> So far as declaring an additional public holiday in the country is concerned, that can only be done now by legislation, I believe.

I do not wish to make a debating point of the fact that the Prime Minister said one thing and the Minister of Justice has now said another, but if further research gives weight to the fact that this can be done by proclamation or by royal prerogative, let us be told about that. Let us not have the Prime Minister refusing on the ground that this can only be done by legislation and the Minister of Justice saying that it can be done if the government wants to do so by some sort of royal prerogative.

The minister accused me of trying to effect something by back-door legislation, or trying to enact something substantial in a statute which is just supposed to spell out meanings. Let me point out to him that his own bill is doing the very thing he suggest we should not do. It does so in paragraphs (a) and (b) of subclause 17. This, is not only back-door legislation; it is blank-cheque legislation. It provides that any day the lieutenant-governor of a province may appoint shall become a holiday for that province, or any day a city, town or municipality appoints as a civic holiday shall be a holiday for that area or district. In other words, we do not even know what holidays we may be creating by this legislation. I suggest that to criticize my amendment on the ground the minister did, in view of these provisions, is to be inconsistent.

I contend that I have followed the style and the language of the section which says "holiday" means, and then spells out a number of days. My amendment does not change the fact that July 1, 1967, will be celebrated on Saturday, but I suggest it is perfectly proper for us to say that "holiday" in this case means that when a statutory holiday falls on a Saturday there shall also be a holiday on the following Monday.

The minister talked about what this may do in terms of pay for people who have to work, and that sort of thing. Even the statute which provides for a holiday on Dominion Day does not say anything about people getting time off or being paid if they work. The statute does not say anything in this regard about Remembrance Day or Victoria Day. It merely says that these are legal holidays. All I am asking in these four cases is that when the legal holiday falls on Saturday the following

Monday shall also be a legal holiday. I suggest this amendment is one that ought to be accepted.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Knowles) negatived: Yeas, 18; nays, 55.

Mr. Howard: Mr. Chairman, the question posed by the hon. member for Lotbinière and the answer given by my colleague, the hon. member for Winnipeg North Centre, disclosed my intention in respect of subclause 17. I will not make a lengthy argument but I wish to point out that standing order 2(4) contains the provision that the house shall not sit on certain days as listed in that standing order. One of those days is St. Jean Baptiste Day or, in English, St. John the Baptist Day. It seems to me that an extension of what this house has already considered appropriate should be acceptable here in the definition of holidays. That is in effect the amendment I wish to move.

In view of the fact I am about to move an amendment perhaps the minister would like to proceed past six o'clock in an attempt to conclude our discussion of this bill. Perhaps we should ascertain what the house wishes after the committee rises.

Mr. Trudeau: If it is envisaged that we can conclude the consideration of this bill I would be very appreciative if we could carry on. Perhaps we can vote on this amendment very quickly.

• (6:00 p.m.)

The arguments in favour or against the hon. member's proposal would be very similar to the ones that were made with respect to the amendment of the hon. member for Winnipeg North Centre. I do not feel there is any necessity for a long explanation of my position on this proposal since it would be the same in this case as in the previous case.

The Chairman: Order, please. If there is any disposition on the part of the committee to continue debate of this bill at this time the question should be decided with the Speaker in the chair.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for York South (Mr. Lewis), Industry—northern Ontario—possible classification as a designated area; the hon. member for Waterloo South (Mr. Saltsman), Industry—nickel—possible restriction on amount available in Canada; the hon. member for Lac-Saint-Jean (Mr. Simard), Labour Relations—inquiry as to the right of C.B.C. employees to belong to a union of their choice.

Mr. MacEachen: Mr. Speaker, I understand the hon. member for Skeena suggested that we continue in committee on the bill. If that is the suggestion, it is agreeable to us.

Mr. Howard: Mr. Speaker, I was not suggesting it in particular. What I suggested was that the government might want to do so.

Mr. Deputy Speaker: Is it agreed that the private members' hour be suspended and the house go back into committee for discussion of the bill which was interrupted at six o'clock?

Mr. Wahn: Mr. Speaker, I am the sponsor of one of the bills which might have come up in private members' hour. Do I understand that if the matter now before the house is disposed of we will proceed with private members' hour if time remains before seven o'clock?

Mr. Deputy Speaker: It is the understanding of the Chair that if the bill now before the committee is disposed of before seven o'clock the house will proceed with private members' business. Is it agreed now that private members' hour will be suspended and that if the bill now before the committee is completed the house will go on with private members' business?

Some hon. Members: Agreed.

INTERPRETATION ACT

REVISION AND CONSOLIDATION, AND CONSEQUENTIAL AMENDMENT OF OTHER LEGISLATION

The house resumed consideration in committee of Bill No. S-6, to revise and consolidate the Interpretation Act and amendments

thereto, and to effect certain consequential amendments to the Canada Evidence Act and the Bills of Exchange Act—Mr. Trudeau—Mr. Batten in the chair.

On clause 28—*Definitions.*

Mr. Howard: Mr. Chairman, the proposition advanced by the Minister of Justice that the arguments are the same with respect to this amendment as they were with respect to the amendment put forward by my colleague, the hon. member for Winnipeg North Centre, is not in accordance with the facts. They may be the same on the minister's part. He may have followed a definite course in this case, as he has done persistently throughout this bill, and he may advance the same arguments, but I think they are certainly not the same. The point is that with respect to St. Jean Baptiste day the House of Commons has decided to pay tribute in recognition of the fact that this day is observed by hon. members and by Canadians of French origin.

It seems to me that what the House of Commons has decided is good for its members should be extended to include the rest of Canada and that we should recognize St. Jean Baptiste day throughout the nation, not simply within the halls of the House of Commons.

Perhaps the argument will be advanced that this matter could be dealt with under subclause 17. This is the blank-cheque section to which the hon. member for Winnipeg North Centre referred. It gives an interpretation of the word "holiday" as a day appointed by proclamation of the Lieutenant Governor of any province. It could be argued that recognition of the fact that the province of Quebec desires to proclaim the observance of the St. Jean Baptiste day as a public holiday or a day for public rejoicing should be contained in the Interpretation Act, but in that case the holiday would only be observed in the province of Quebec and all the other French speaking Canadians who live in other provinces would not have the opportunity to observe that day. I think we should make it more definite and not depend on the possibility that a province may proclaim the observance of St. Jean Baptiste day as a public holiday.

The manner in which the hon. member for Lotbinière put the question to my confrère, the hon. member for Winnipeg North Centre, whether or not the latter deemed it wise to incorporate St. Jean Baptiste day in his amendment leads me to believe that the hon. member for Lotbinière, whose concern in these matters is well known to me, will support the contention that we should honour the St. Jean Baptiste day by having it declared as a holiday within the Interpretation Act and thus applicable all across the nation.

[Mr. Deputy Speaker.]

Without further comment I should like to move the following amendment. In accordance with the suggestion by my friend, the hon. member for Winnipeg North Centre, I will read it in French. Despite my pronunciation, I am sure that if hon. members listen to me very carefully they will get the gist of what I am saying, if not the exact words. It reads as follows:

Que la ligne 35 du paragraphe 17 de l'article 28 soit amendée en ajoutant immédiatement après les mots «le jour de Victoria» les mots suivants: «la fête de Saint-Jean-Baptiste».

Some hon. Members: Hear, hear.

Mr. Howard: To prevent any misunderstanding I will also read it in English. It reads as follows:

That subclause 17 of clause 28 be amended in line 31 thereof by inserting, immediately after the words "Victoria day;" the following "St. John the Baptist day;".

Mr. Knowles: The hon. member's English is not bad.

Mr. Choquette: I did not know Mr. Cliche had such influence.

• (6:10 p.m.)

Mr. Trudeau: Mr. Chairman, the hon. member for Skeena is right. The type of argument I used in answer to the hon. member for Winnipeg North Centre cannot be applied in toto at this particular point, although the relevancy of the general argument about legislating holidays in this way, I believe, remains valid. With reference to the particular suggestion of adding an additional holiday, St. Jean Baptiste Day, I may say this is a very important day for French Canadians since it is the day of their patron saint. I should like to point out to the hon. member for Skeena that it is the general tendency of the federal government to try to speak for all the people of Canada. The intention of this subsection is to define holidays which are recognized throughout Canada as holidays and to leave to the particular provinces, cities, towns or municipalities the privilege of proclaiming particular holidays which fit a particular area of the country.

The hon. member will know that in the subclause under discussion there are, indeed, some days which are religious feasts and which are holidays. However, there are no days which can be described properly as ethnic holidays. I can understand the generosity of the hon. member in wanting to recognize a particular ethnic holiday, that of the French Canadians, but I am bewildered as to why he would not want to include in his amendment St. George's Day.

Some hon. Members: Hear, hear.

Mr. Trudeau: Why not St. Patrick's Day?

Some hon. Members: Hear, hear.

Mr. Trudeau: Then, there is St. Andrew's Day. I am being prompted, Mr. Chairman, to include St. Stanislas' Day, and why not? However, I believe we would be entering a kind of competition for ethnic popularity which is not the kind of competition in which this government is interested.

The idea of giving the provinces, cities, towns or municipalities the right under the law—I should not say the right but the recognition that they can proclaim days that will become holidays within the meaning of the Interpretation Act is not giving them an opportunity, in the derogatory words used by the hon. member, to have a blank cheque. Surely if it is done by proclamation by a constituted authority, as spelled out here, it is not the same as permitting anybody to do any old thing in any old way. It is a recognition of the fact that there are religious days and ethnic days of importance to particular sections of the country. But it is not proper for the federal government to embark upon this kind of competition for ethnic popularity. For this reason I do not believe this is the place to introduce such an amendment or to vote for it.

Mr. Fairweather: I think the minister has put this matter much more felicitously than I could. I was a member of the committee on procedure of the house which recommended to parliament that St. Jean Baptiste Day be a holiday. I have no difficulty in reconciling my feeling then and my feeling now to vote against this bid, so to speak. I felt then that we were members of a national parliament and as such I was very glad to recognize a holiday that meant a great deal to my colleagues here in parliament. If we begin legislating from this point of view for the provinces, so to speak, and that is what we would be doing, the holiday would lose its meaning. Let us be frank about it. It would not be understood. I think this is really discrimination in reverse, which must be about as bad a form of discrimination as we can find. Furthermore, this holiday would have no application to most of the statutes of Canada but would only have application to the Interpretation Act and the occurrences that flow from it. As the minister pointed out, it does not affect the Labour Relations Act. Many other statutes do not incorporate this holiday. As a member of a national institution, fully conscious of what St. Jean Baptiste means to a good many of my colleagues, I can vote against this amendment.

Mr. Herridge: I wholeheartedly agree, Mr. Chairman, with the comments made by the hon. member for Royal. I thought he approached the question from a practical and sensible point of view. I listened with a great deal of interest to the eloquent and tenacious arguments put forward by the member for Winnipeg North Centre. I do think, in view of the question put to the Prime Minister and in view of the reply of the Minister of Justice, the question the hon. member raised has to be given consideration. However, I believe that consideration should be given in connection with other legislation. I believe it is a matter that has to receive more consideration than we have been able to give it this afternoon.

I must say, as an Anglican, that I was delighted to hear the hon. member for Skeena recognize the religious significance of St. Jean Baptiste day. I give him full credit for his recognition of that day and his attempt by amending this bill to get it recognized. I agree that if we start to deal with the various holidays in this bill we could go on and deal with St. George's day, St. David's day or St. Patrick's day. I only mention this to show that the matter has to receive lengthy consideration.

I have every respect for my colleagues from the province of Quebec and the members of their faith wherever they live. I have never done anything to break down a person's religious belief, whether he be a member of Jehovah's Witnesses or any other faith, if he gets some comfort from that faith. I do not believe this is the type of measure under which to introduce this provision. I suggest it requires much greater consideration than we have given it today. It is a matter that the government can take under immediate consideration so that we get these holidays established on a national basis and not an ethnic group basis or on the basis of subdividing this country.

Mr. Howard: I only want to say this with respect to the bewilderment, self-acknowledged, of the minister. This is not an attempt —I hope he did not mean this—to inject an element of competition amongst ethnic groups into this discussion. That was the farthest thing from my intention in introducing this amendment. It was only an attempt to give due recognition to that aspect of the culture of the province of Quebec to which recognition has already been given by the House of Commons in the standing orders, and that is all.

The Chairman: Is the committee ready for the question? I would refer the committee to standing order 6, section 7, which reads:

No vote shall be taken between 6.00 o'clock p.m. and 8.00 o'clock p.m. on Mondays, Tuesdays and Thursdays or between 1.00 o'clock p.m. and 2.30 o'clock p.m. on any day upon which a morning sitting of the house is held.

Mr. Churchill: By consent.

The Chairman: I presume that is what the standing order means, although I am sure if members of the committee wanted to read it in another way they could. However, if it is the wish of the committee to have the vote at this time, this can be done.

• (6:20 p.m.)

Mr. Nasserden: Mr. Chairman, I have no objection to the vote being taken at this time but I hope that it will not serve as a precedent for other occasions. I would not want the intent to go further than just allowing consent at this time.

The Chairman: Is it unanimously agreed that the vote on this amendment be taken now?

Some hon. Members: Agreed.

Amendment (Mr. Howard) negatived: Yeas, 6; nays, 51.

The Chairman: I declare the amendment lost.

Clause agreed to.

Clauses 29 to 42 inclusive agreed to.

On clause 43—*Proclamation.*

Mr. Knowles: Mr. Chairman, may I ask the minister when it is intended that this act shall come into force?

Mr. Trudeau: Mr. Chairman, no particular date is contemplated. It would have to be brought into force, of course, before any revised statutes were brought into force. Also it would have to be brought into force as soon as the previous act was repealed. However, no particular date is set in my mind. If the hon. member has representations to make I should be glad to hear them.

Mr. Bell (Carleton): Mr. Chairman, can the minister give any indication at all as to when he expects the revised statutes to be ready?

Mr. Trudeau: I am afraid I cannot. I have had no recent report on that.

Clause agreed to.

Clause 1 agreed to.

The Chairman: Shall the title carry?

Mr. McCleave: Mr. Chairman, on a point of order, there is a schedule on page 22 about which I should like to ask the minister a question.

The Chairman: Yes, there is a schedule on page 22 to be carried.

On the schedule—

Mr. McCleave: Mr. Chairman, I was going to ask the minister how quickly this legislation is able to move in tune with events similar to those which happened in Nigeria in recent days, that country now being threatened with being divided into two countries. Would we have to amend the bill or can this matter be handled in some other way?

Mr. Trudeau: Mr. Chairman, the answer is provided in the bill. Clause 28 (5) permits us to add to or subtract from the schedule as the need is felt.

Mr. McCleave: In other words, by the proclamation that I suggested.

Mr. Trudeau: Yes.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time?

Some hon. Members: Now.

Mr. Knowles: Next sitting of the house.

Mr. Deputy Speaker: Order. The house will now proceed to the consideration of private members' business, as agreed at six o'clock.

PRIVATE BILLS

COMMERCIAL SOLIDS PIPE LINE COMPANY

Mr. Grant Deachman (for Mr. Basford) moved the second reading of Bill No. C-113, to incorporate Commercial Solids Pipe Line Company.

He said: Mr. Speaker, Bill No. C-113 to incorporate Commercial Solids Pipe Line Company stands in the name of the hon. member for Vancouver-Burrard (Mr. Basford), as will be seen from the face of the bill. As hon. members know, that "foolish" young man is headed toward the west coast this week end to give up the state of bachelorhood. As a consequence, at the moment I do not think he is very interested in this bill. But I think it shows how cool a cat the hon. member is when he carefully arranges to see that another member from the west coast takes this bill in his very necessary absence, necessary, that is, if he is going to lose his bachelorhood.

This bill deals with a company that wishes to operate a commercial solids pipe line. The pipelining of solids is not a new concept. The first commercial pipe line for transportation of solids was built in England, I understand in 1914 to move coal in water from the docks to a power plant less than 2,000 feet away. Short lines to move coal mine sludge were built in the United States as early as the 1920's. A 15-mile line to move 500,000 tons of salt a year in a saturated brine was built in Louisiana in the 1930's. Since then there have been some longer lines, notably the 108-mile pipe line between Georgetown and Cleveland to carry coal in water. There is also a 72-mile gilsonite line between Bonanza, Utah, and Grand Junction, Colorado.

• (6:30 p.m.)

With few exceptions, most pipe lines transporting solids today suspend finely ground particles in a liquid, the mixture being called slurry. This slurry can be handled in somewhat the same way as other liquids. Another possible method is called capsuling. This involves casing the solids in rigid or flexible containers which are moved through the pipe line. In this field probably the most advanced research in the world has been carried out by the Alberta research council. The capsule method has not, however, yet been developed to the point where it may be used commercially for long distances. An association known as the Solids Pipe Line Research and Development Association has now been formed in Canada to further this research. Another active group is the Pulp and Paper Research Institute of Canada which has pioneered the pipelining of wood chips. The University of Saskatchewan and the Saskatchewan research council are working on the pipelining of potash slurries.

In summary, a number of short solids pipe lines have been proven and are in operation today and many research groups and private company laboratories both in Canada and elsewhere are working on the technology required for pipelining a variety of commodities over long distances. It is appropriate that this effort continue and even increase and that Canada be a world leader in this technology, because no other nation has such great mineral resources located far from either tidewater or consuming markets. It is important to Canada that it should be able to move its landlocked mineral resources such as coal, potash, iron ore and sulphur to market at tariffs that do not prejudice it vis-à-vis other countries, the resources of most of which are near tidewater.

There is therefore a wide potential for a company in Canada devoted to transporting solids by pipe line. The company believes that if this application is granted Commercial Solids Pipe Line Company will be instrumental in constructing in Canada solids pipe lines of a much greater length and capacity than have ever been constructed anywhere else in the world.

So far I have dealt with the pipelining of solids and the objects of Commercial Solids Pipe Line Company in a general way. I now wish to describe to the house one particular project that is being planned for the proposed company. This is the construction of a pipe line for the transportation of sulphur in slurry form from the producing plants in Alberta to the Canadian west coast.

The world demand for sulphur has increased at a rate of more than 6 per cent annually during the past three years. In 1966 the free world produced 24.1 million tons and consumed over 24.9 million tons of this commodity. The 1970 free world production of sulphur is estimated at 31 million tons.

Concurrently with the expansion of the world markets for sulphur the production in the province of Alberta has increased at an enormous rate. Shell Canada Limited is the largest producer of sulphur in Canada. From the time that Shell Canada Limited started the first sulphur production from natural gas in Canada at Jumping Pound near Calgary in 1952—producing the total output of Alberta

from natural gas at that time of approximately 10,000 tons annually—the production of sulphur in Alberta has increased today to more than 1.8 million tons a year. Since 1952 many new plants have been constructed and others will be built in the future. It is anticipated that by 1970 the production in Alberta will have increased to approximately 3.2 million tons a year.

As sulphur has not so far been transported in solid form by pipe line on a commercial scale, research still has to be done before the company can be certain that this 750 mile pipe line from Alberta to the west coast is feasible. Since to a large extent the exact location of the route will be dependent on the outcome of the research and development program which is presently taking place and which will continue after incorporation of this company, no specific route can be designated, at this time. The company's confidence, however, can be measured by the large sums of money it has already spent and will spend in the next two years, if this bill is passed, in developing this research to maturity.

The advantage to Canada of a pipe line that would transport this sulphur to the nearest port at a steady and economical rate is readily apparent, and such a line would be the first of its kind in the world, thus putting Canada well in the lead in the pipelining of solids.

The transportation of sulphur by rail, the present method used to convey this product from Alberta to the coast, is costly and the availability of suitable rail cars to handle this movement is a problem. These costs have recently increased to the extent that Shell has paid approximately $2.24 million in 1966 for transportation and handling between these points. They anticipate that the industry will spend $21 million in freight and handling charges for offshore movements in 1970, based on present day arrangements. It is expected that the sulphur pipe line would reduce these costs, not only to Shell but also to other Alberta producers utilizing this pipe line, by approximately one third. The pipe line would be available on mutually acceptable terms to all producers in Alberta who can conveniently tie in with the line. For those using the line, participation in the equity of the company would also be available. The resultant savings and stability of transport cost would help appreciably to improve the competitiveness of Canadian producers in supplying world markets and would aid in the negotiation of long term contracts for sulphur sales without fear of spontaneous and non-controllable freight increases.

[Mr. Deachman.]

The sulphur pipe line project which they have under study envisages a 12 inch main line with smaller diameter feeder lines. It will likely originate near the city of Calgary around which a gathering system would be built to tie in plants in the immediate area. The main line would go south in order to pick up throughput as southern Alberta plants including Shell's large Waterton plant. The line would then enter the mountains at the Crowsnest pass and go west until it reached the coast in the Vancouver area. A preliminary survey has been made of the approximate route of the sulphur line and the company has detailed sketches which demonstrate this. For reasons already given, there is necessarily nothing final yet concerning the route of the pipe line.

The cost of the line is estimated at $50 million, and the company would expect this project to be financed as to 25 per cent by equity capital and as to the remainder by bonds, debentures or other form of borrowing. The authorized capital of Commercial Solids Pipe Line Company for which they have applied is $100 million. This means that if the sulphur pipe line is built with 25 per cent equity financing, there will be ample capitalization remaining for several other solids pipe lines in Canada of a like magnitude.

With regard to Shell Canada Limited, which will be the principal shareholder of the new company, 17.5 per cent of the voting power is in the hands of the public, and these shares are traded on stock exchanges in Canada. The remaining 82.5 per cent is held by another Canadian company called Shell Investments Limited, the head office of which is also in Toronto. Shell Investments is in turn wholly owned by a Netherlands company situated at The Hague and, finally, the ownership of that company is divided as to 60 per cent in the hands of the Royal Dutch Petroleum Company at The Hague, and as to 40 per cent in the hands of the Shell Transport and Trading Company in London, England.

• (6:40 p.m.)

They are committing in excess of $1½ million to slurry pipeline studies generally, of which $900,000 is directed to this sulphur effort. They are also confident that Canada can and should become the world leader in commercially adapting this technology to reduce overland transport costs for many other solid commodities including potash, wood chips, coal and iron ore, thus benefiting our

entire economy. The full weight of the technical ability of the Shell group is behind this application and they assure us that their efforts will be unstinting in forwarding the commercial adaptation of this technology.

I am not an expert on this subject. I am pinchhitting for my friend, the hon. member for Vancouver-Burrard. It is the practice of the house that bills dealing with pipe lines are referred to the committee on transport and communications so that their purpose and nature may be examined in the light of evidence from whatever witnesses hon. members may wish to call. A bill dealing with the new transport commission has already been before the house and before that committee. One of its clauses deals with the possible regulation of pipe lines by the commission.

I think it is likely that certain questions will arise in connection with the effect of government policy upon the proposals contained in this bill. There are all kinds of questions which hon. members might wish to ask in connection with this matter, answers to which could only come from the applicants themselves. My only request is that this bill be permitted to go to the committee where there would be an opportunity to examine it thoroughly. If there are hon. members present who object in principle to any aspect of the bill it is, of course, their privilege to kill it by talking it out when it comes back to this chamber. But I think it is of great importance to the development of Canada that we should lead the way in moving materials over long distances by new and more efficient forms of transportation.

For this reason I ask any member of the house who has reservations about these proposals not to carry them to the point of denying parliament an opportunity to consider whether this bill, either as it stands or with modifications, is not in the best interests of the economy of Canada. The only way in which we can find this out properly is by examining it in the standing committee on transport and communications. It is with this belief in mind that I place the bill before the house this afternoon.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I fully appreciate the eloquence which the hon. member for Vancouver Quadra (Mr. Deachman), speaking as a substitute for the sponsor of the bill, has brought to bear upon this subject. I have some reservations though as to the efficacy of his last plea that our discussion of the principle of this bill, affecting a company which is making a new venture in this field, should be limited to some 25 minutes. The question of a solids pipe line is one which deserves careful consideration, particularly since the hon. member has made this exposé, telling us who is behind this bill and why it is wanted.

I think we should go further into the study of solids pipe lines and recognize that the basic work in this connection has been done, as indicated by the hon. member himself, through the research council of the province of Alberta, using not only funds provided by that province but in addition funds made available by the Department of Industry. The organizations taking part in this research are known as SPRDA—Solids Pipelines Research Development Association—and SPESA, standing for Solids Pipelines Economic Studies Association.

There was some difficulty attached to the federal legislation, which I thought was a lot of nonsense when I came into contact with it about a year ago, and since then I have had something to do with the working out of the details of the federal subsidies for the economic and development studies. The legislation and the regulations were not as clear as they should have been and in this particular case a fine line was drawn between the economic feasibility of solids pipe lines and the technical aspects—whether one could move solids via capsules. I thought this was a little too much. But there it was, and this artificial distinction had therefore to be drawn within the development associations.

Let us face it. Not only were government funds involved in these technical and economic studies but a consortium of about ten Canadian companies which are interested in transport was involved. The Canadian National Railways has an interest in SPRDA. So have the C.P.R., Canadian oil companies, and other industries.

This is a matter which deserves far more attention than has yet been given to it. Perhaps the sponsors of this bill are endeavouring to capitalize on the research which has been carried out. I preface my remarks with those observations because I think we have to put this whole matter in context, and I hope that representatives of all parties in this house on the transport committee will go into the history of what has actually happened with regard to solids pipe lines research and consider where the potential benefits should reside.

What we are primarily talking about here is the transportation of sulphur from the

province of Alberta to the Pacific coast. The sponsor rightly said that this was the real objective of the Shell Oil Company. More power to that company. We are vitally interested in the cheaper transportation of sulphur to export markets. Members of this house would be doing a disservice to the economy of this country and to our export markets if they reacted in a negative way to proposals for the movement of sulphur in the cheapest possible manner. The market is highly competitive.

But it is not only sulphur that is involved. There is the question of iron ore pellets from northwestern Alberta. There are other types of solids which have just as much claim to the benefits of research in this field as has sulphur. I think we ought not to concentrate exclusively on this particular product but look at the over-all picture. It is for this reason that while in principle I would like to see this application go to the committee I should like the committee to undertake a much more extensive investigation of solids pipe line projects and studies and related economic studies.

• (6:50 p.m.)

I feel that persons from the research council of Alberta and other research organizations should be called to tell us where we are heading, to say whether this is going to be beneficial; and if it is going to be of national import then certainly the Canadian National Railway, the Canadian Pacific Railway and others concerned with transportation must be brought into the picture.

I have talked to officials of the research council of the province of Alberta who have been involved in this particular project, and they paint a most imaginative picture. I do not think we should grant an exclusive monopoly, tantamount to a hunting licence, to any one particular firm. At the moment I am rather taken with the development in my own province of the Alberta Gas Trunk Pipe Line, which is financed publicly, the shares being first offered to residents of Alberta and then to other Canadians. If this were done Canadians could benefit in the equity financing of similar enterprises, without great international corporations coming in, financed by their own banks and insurance companies, and acquiring the lion's share of the equities and profits.

As I say, I am much more disposed to consider the system used in the financing of the Alberta Gas Trunk Pipe Line, rather than the system used for the Interprovincial Pipeline and other types of operations. Indeed I am much more taken with that system than with the idea of using the Canada Development Corporation.

If solids are going to be moved through a pipe line from the province of Saskatchewan, I believe the people of Saskatchewan should be given a chance to get in on the equity ground floor. If pulp and wood chips are to be moved by pipe line from the interior of British Columbia, likewise let the people of British Columbia have the first crack at it. I offer this as a suggestion to hon. members, but I must say I am glad to see that somebody has realized the economic importance and economic potential of a solids pipe line, based primarily on experience in other countries and also on research work done by public authorities in this country working on behalf of and in co-operation with private industry.

Having said that, I am quite prepared to see this bill go to committee but I certainly hope a great deal of study will be made along the lines I have suggested, rather than confined to the narrow ambit of the financing of this particular group and what they intend to do. We should use this opportunity to look into the whole prospect of solids pipe lines as a means of transportation. One of the biggest difficulties we find in marketing the products of this country is the immensely high cost of transportation. If the railways can benefit by participation in pipe lines, more power to them, because the country as a whole will ultimately benefit as a result of these developments. I personally am prepared to accept this bill in principle, but with the suggestions I have given.

Mr. Deachman: Do I understand that the hon. member would be disposed to see the bill go to committee, provided we in the house understood that when it is in committee this entire subject will receive the widest possible discussion and most searching examination by the transport committee? This is all I would ask, because I concur in literally every word the hon. member said. I do not want to see this bill forever revolving on the order paper, with nothing done about this important subject being thoroughly explored at committee level.

Mr. Lambert: All I will comment is that the hon. member has synthetized my remarks in his question.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I listened quite closely to the hon.

member for Edmonton West (Mr. Lambert) and I really picked up my ears once or twice. I thought he was beginning to sound dangerously like a socialist, but he soon veered away from that approach. I do not have much hope of converting him in the time that remains before seven o'clock, but I do wish to say that he did point out the wide ranging implications involved in the bill before us. He indicated it is a subject matter that should be of real concern to members in all parts of the house, and one that should not be rushed through lightly.

As I listened to the bill being introduced it occurred to me that in this, our centennial year, one might say that the last decades of our first century have been characterized in this parliament by many debates on the question of pipe lines. A historian in the future may be inclined to compare the end of our first century with the debates at the beginning of that century, which revolved around the development of railway transportation in Canada. As suggested by the hon. member for Edmonton West and the hon. member for Vancouver Quadra (Mr. Deachman), this is an indication that in a country of our large size the question of transportation, what its form should be, and under what auspices it should be built and managed, is one of the most fundamental that can be debated in the Canadian parliament.

The hon. member for Vancouver Quadra indicated that he was substituting for the hon. member for Vancouver-Burrard (Mr. Basford), and I would like to join in the passing reference he made to the hon. member's absence, and in extending good wishes to him. The hon. member is now out in beautiful British Columbia, and before leaving informed me that he would be spending part of his time on beautiful Vancouver Island.

Mr. Deachman: I wonder, in the remaining seconds before seven o'clock, whether the hon. member would be disposed to send this bill to the committee on transport and communications, as a wedding gift to the hon. member for Vancouver-Burrard?

Mr. Barnett: That is a very interesting suggestion but I think the hon. member for Vancouver Quadra used up those remaining seconds by his question. May I call it seven o'clock?

Mr. Speaker: It being seven o'clock the hour appointed for the consideration of private members business has now expired. It being seven o'clock I do now leave the chair.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Mitchell Sharp (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, through the courtesy of the Parliamentary Librarian I spent a few hours today browsing through the first budget speech presented to the House of Commons almost 100 years ago by Hon. John Rose, minister of finance. It gave me some consolation and encouragement to observe that Mr. Rose took a full afternoon and part of the evening to deliver his speech dealing with revenues and expenditures of less than $20 million, and that from time to time when he expressed his fear of wearying the house he was met with cries of "no, no". I promise not to repeat that performance this evening. I hope nevertheless for the same indulgence from hon. members.

Mr. Rose was an eloquent speaker and, on the occasion of this centennial budget, I should like to recall a few sentences from this first budget after confederation.

In viewing the facts—

Mr. Rose said:

—I think they point, under the blessing of a good Providence, to a certain and prosperous future before us. If we work together in harmony, if we endeavour to cement the Union, if we develop the varied and rich resources of the several provinces, we have the elements within us to build up a prosperous and powerful community. In Lower Canada we have a people frugal, industrious, and attached to the soil—not a nomadic, but a steady, contented people, well adapted for manufacturing pursuits; while in the West we have immense agricultural, and in the East equally important maritime resources. I am not an enthusiast, but I say that although we have a rigorous climate and many difficulties to combat, we have correspondingly hardy, energetic and thrifty population, and in the extent and variety of our resources we have as certain a promise of a good future as any country ever before enjoyed.

Some hon. Members: Hear, hear.

Mr. Sharp: Some of the members of the house are cheering, just as the members cheered in 1868. Then Mr. Rose said, as all subsequent

ministers of finance have said and as all future ministers of finance will say:

> Now, Sir, I would not wish it to be supposed that, in calling attention to these indications of the future prosperity of the country, I am desirous that we should rush into undue expenditure. On the contrary, I say that we ought to be most careful in our outlay, and consider well every shilling we expend.

To which there were loud cheers on that day.

> I trust that whatever government may be in power, the people will demand at its hands a thrifty and economical administration of public affairs. I claim that we who now occupy these benches have shown a desire to follow that course.

I repeat that claim. Finally, may I be permitted one more quotation from this budget speech of a century ago which caught my fancy:

> Anyone who looks at the population of this Dominion—of Nova Scotia, New Brunswick, Quebec and Ontario—must see that while they differ in very important characteristics, they agree in this, that they are not extravagant or ostentatious in their habits, they are hardy, persevering, industrious and energetic, and possess all the qualities fitted for developing the resources of a new country. Though our wealth may not increase as rapidly as in some other climes, we spend little in ostentation and extravagance.

Then came this memorable sentence:

> Reproduction is steadier and more continuous.

There is no indication as to whether that particular statement was met with enthusiasm or otherwise. I now turn to the budget of 1967, our centennial year.

• (8:10 p.m.)

Mr. Speaker, The past 18 months have been eventful ones in our fiscal affairs—a budget and a mini-budget, three bills to amend the Income Tax Act, one to amend the tax provisions of the Old Age Security Act, two to amend the sales tax, two temporary restraints on business capital investment, the commencement of the Canada Pension Plan which had major fiscal effects, several reviews of government expenditure policy, a major debate on inflation last September and a long series of hearings by a Joint Committee into the increases in consumer prices.

Fiscal Flexibility

This experience indicates that we can achieve flexibility in the content and timing of our tax measures and other instruments of fiscal policy. Now that Parliament is normally sitting more or less continuously throughout the year and is modernizing its procedures, it can act promptly enough to enact the measures necessary to implement a flexible fiscal policy without having to delegate extraordinary stand-by powers to the government, as has sometimes been suggested. We need not try by action in our annual budgets to anticipate economic possibilities during the ensuing twelve months that could be dealt with later when more was known about them.

Federal-Provincial Relations

In this past 18 months there have also been major developments in our fiscal and economic relations with the provinces. In the Tax Structure Committee we had important discussions on the fiscal arrangements which should be developed in the future between the federal and provincial governments. These arrangements have a significant effect both upon the use of tax fields by the two levels of government, and upon the expenditure programs of federal, provincial and municipal governments. On behalf of the federal government I proposed that we should seek through our fiscal arrangements to define more clearly the respective responsibilities of the two levels of government, with the objective of strengthening within their respective jurisdictions, the roles of both the federal and provincial governments. I suggested a new and comprehensive approach to the equalization of provincial revenues. This new equalization plan was incorporated in a major revision in the Federal-Provincial Fiscal Arrangements Act which Parliament approved in March of this year. With equalization payments rising automatically as provincial revenue requirements increase, the poorer provinces as well as the richer ones will now be in a better position to finance their growing responsibilities through provincial rather than federal tax measures. In the discussions we have recognized that the harmonization of federal and provincial priorities, both in respect of revenues and expenditures, should be the product of regular and comprehensive federal-provincial discussions, not just meetings every five years confined to tax sharing negotiations.

These new fiscal arrangements include important fiscal transfers relating to education. Federal personal and corporate income taxes have been abated in order to make it easier for the provinces to increase their taxes by a corresponding amount for the support of higher education. These tax transfers in combination with the adjustment grants and special equalization grants that Parliament has

authorized will ensure that the total fiscal transfer to the provincial treasuries will equal at least 50 per cent of the operating cost of post-secondary education, broadly defined. This new measure, which replaces the former system of assistance to universities and other post-secondary educational institutions, is a most important step in strengthening financial support to higher education, without impairing in any way whatever the authority and responsibility of the provincial governments and legislatures in respect of education. This increased support for higher education commenced at the same time as our technical and vocational construction grants were being phased out and our contributions under other technical and vocational training programs were being replaced by the new post-secondary education arrangements and our new adult training program. Because of this, the full extent of the financial burden that Parliament has undertaken in these new arrangements has not been entirely understood. I estimate that by our action in regard to post-secondary education and manpower training, after allowing for the phasing out of vocational training grants, Parliament will be providing in one way or another an additional $300 million this year as compared with last year for these essential purposes.

It became evident during last year's federal-provincial meetings that Canadian governments collectively, responding to the needs and demands of Canadians generally, have been expanding their activities to the point where each level of authority is most reluctant to impose the higher taxes necessary to achieve the objectives we have set for ourselves. Last October some quantitative expression was given to these combined requirements in the projections of public expenditures and revenues prepared for the federal-provincial Tax Structure Committee. Summary figures which were published show that provincial and municipal expenditures together might be expected to grow over the five years from last year until 1971 at a rate of about 8½ per cent a year. Federal expenditures, as programmed in early 1966, would grow about 6½ per cent per annum. Since that time both the federal and the provincial governments have undertaken some new expenditure programs. For example, in our, case the Guaranteed Income Supplement for old age pensioners will add to the total that was projected. Subsequent additions, however, have not changed the general trends revealed in the Tax Structure Committee projections.

The rate of growth in revenues, at the tax rates current last year, was projected at about 7½ per cent a year both for the federal and for the provincial and municipal governments combined, under the economic conditions which were then assumed. Federal tax rates were raised moderately in December after this study was finished and some provincial tax rates have been raised this spring, but these do not substantially change the trends shown in the study. Confronted with our common need for increased revenues, and the house will observe that expenditures are projected to grow faster than revenues from existing taxes, it is natural that we and the provinces will find it hard to agree on the use of the different tax fields.

Royal Commission on Taxation

Since our major discussions with the provinces we have received and begun studying the report of the Royal Commission on Taxation. We have found it a thoughtful, radical and stimulating report, but one that bristles with both technical and policy problems and, need I add, political problems. It proposes major reforms in our income tax, including the incorporation into a comprehensive tax base of many receipts now exempt from tax or taxed under other statutes such as the Estate Tax Act.

The Commission, which I might add was appointed by the government which preceded us in office, and I have no criticism of this because I do believe that our tax system does urgently need reviewing, recommends to us a broad policy which places first emphasis upon equity, pursued with greater seriousness and logic than ever before. It would combine equity with the greatest possible degree of economic neutrality in tax law in order to give the market and the private sector of the economy maximum freedom to make its decisions free from any distorting influence by the tax system. The Commission would have us rely mainly on expenditure programs to implement those policies where we seek by financial means to attain specific economic purposes such as the stimulation of research or other particular form of activity, such as mining.

There is one aspect of the Commission's report that deserves more public discussion than I have yet observed. It is that the comprehensive personal income tax proposed by the Commission must, according to the Commission itself, be used with restraint. As suggested by the Commission, this particular tax would produce revenues that were much

less than half of the total public revenues required by all levels of government in Canada.

Consequently this would leave governments to continue to rely upon other tax instruments, at all levels, federal, provincial and municipal, to raise the majority of the revenues required. It is evident, therefore, that there is no easy answer either to the problems of taxation or to the federal-provincial issues with which we must deal.

Tax Reform Schedule

I have already announced that the government is not proposing to reach decisions on the main features of the reform of our tax system until others have had an opportunity to study the Royal Commission report and comment upon it. I have emphasized, however, that we cannot leave too long an interval for such study and comment.

I believe we can properly aim at a white paper late this year in which the government's main proposals can be expressed clearly without all the details of a bill. We would also plan to produce a draft bill to illustrate how the government's proposals could be enacted. I would welcome Parliamentary discussion of these. After receiving the views of Honourable Members and others, we would review our draft bill and then bring forward the legislation that we would propose Parliament enact. Obviously, our reforms will require considerable time and effort on the part both of the government and of Parliament during 1968. I do not expect that this revision of the income tax will be part of the budget procedure itself but a separate series of steps.

• (8:20 p.m.)

I have already invited taxpayers to comment in writing by the end of September on the major recommendations of the Royal Commission. I have already indicated elsewhere the list of major matters upon which I have invited comment and I shall not take the time of the house now to repeat them.

On these matters, which are the central core of the report of the Royal Commission, I will welcome of course hearing the views of hon. members of this house and of the other place, as well as views from taxpayers, experts and associations of one kind or another. From those outside Parliament, I would prefer to receive views and suggestions in writing in the first instance.

In speaking of our tax reform program, I have referred only to the income tax. The Royal Commission's proposals about the sales tax involve many less complications and we shall not need as much advance work on them. I am therefore not inviting comments on them at this early stage.

The need to take time for proper study and discussion of the report before reaching decisions on it will inevitably leave some uncertainty for taxpayers who are making future plans. Some such uncertainty cannot be avoided once the report is published. This is a reason for pressing ahead as quickly as we reasonably and properly can but it is not a justification for haste or for not taking into account what people wish to express upon a matter that concerns them so deeply. On May 11th I endeavoured to remove some of the uncertainty concerning the possible timing of any termination of the inducement offered in the present law for the opening of new mines, should the government decide that the Commission's recommendations on this matter be accepted. This is the principal subject on which the present Act contains a major inducement about which uncertainty arises because of the Commission's report. I cannot undertake to offer assurances about all the various changes that might be made without anticipating decisions that the government has not yet reached and prejudicing the proper consideration of the subject.

Kennedy Round Tariff Changes

It is not only in tax policy that major changes have been in progress. For nearly four years representatives of the government have been engaged in the greatest series of trade and tariff negotiations ever undertaken. As is well known, these negotiations of the Kennedy Round have now been concluded successfully and the broad agreements reached are being worked out in detail. By agreement among all the negotiating countries the results will be made public about the 1st of July. I regret that I cannot indicate to the House at this time the important conclusions reached in these negotiations nor lay before you the tariff resolutions that will be necessary to implement some of the undertakings that Canada has made in order to secure concessions from others. It is my intention that we should keep the tariff resolutions which I am introducing tonight before the Committee of Ways and Means until after the announcement of the results of the negotiations, when we will make a full presentation to hon. members of the results both in our tariff and in foreign tariffs and introduce

in the committee the further tariff resolutions needed to implement those changes that Canada has offered to make. It will also be necessary before mid-1968 to amend the provisions of the Customs Tariff that govern the application of anti-dumping duties, which will be done after we have heard the views of those concerned, and I have invited publicly the views of all those who will be affected because there will be an interval before the time of the publication of the international convention and the necessity for us to implement it in our own legislation by the middle of 1968.

The basis of Canada's participation in the Kennedy Round was described in some detail by my predecessor who is now the President of the Privy Council in his budget speech on March 16, 1964. He explained that Canada would be offering to exchange tariff concessions of equivalent value rather than offering uniform percentage cuts across the board. He then outlined the following four basic considerations that would govern our participation: first, the principle of reciprocity in trade terms; second, the need to promote through these negotiations the balanced growth of the Canadian economy particularly through seeking new export markets for our secondary industries; third, the need to achieve a reasonable balance of concessions given and concessions gained for the various sectors and regions of the Canadian economy; fourth, the need to avoid the kind of tariff bargain that might worsen our balance of payments. I can now say without hesitation that all these basic considerations have been satisfied. This will be readily apparent when we are able to publish the results.

Economic Review

[*Translation*]

I turn now to a consideration of the economic situation and its implications for the budget.

At the time I was preparing my budget last year it appeared that 1966 would be, as indeed it turned out to be, a year in which restraint was necessary—first monetary restraint, then fiscal restraint, and self-restraint on the part of those making demands upon the economy.

Some fiscal restraint occurred early in the year with the commencement of the payment of contributions to the Canada Pension Plan and Quebec Pension Plans. These were very substantial payments, amounting to nearly three quarters of a billion dollars a year. The funds were loaned to the provincial governments and their agencies. The fiscal restraint involved in the commencement of these contributions had been taken into account by my predecessor in his budget in April 1965 although, as he made evident, it was necessary also to take into account the effect that such funds would have upon spending by the provinces or their agencies. In the event, it may be noted the total net new issues of provincial and provincially guaranteed securities, in Canadian dollars, in 1966 increased by more than the total amount made available for investment in them in these two pension plans.

No doubt there would have been a substantial increase in such borrowing without the inception of the pension plan contributions, but the restraining influence of these contributions upon the economy would appear in retrospect to have been substantially offset by the greater disbursements of borrowed funds by provinces and their agencies.

A second element of fiscal policy last year was the efforts made to restrain the growth in public expenditures. This applied primarily to construction programs, since the strain of excessive demand upon the construction industry was particularly evident in the latter part of 1965 and the early part of 1966. Some success was achieved in deferring construction expenditure, though of course it was limited in many cases by the need to continue major projects already under way including the large complex of projects associated with Expo and the Centennial. Other public expenditures, particularly transfer payments to individuals under our social security programs, increased substantially. There were also substantial increases in public payrolls arising from the rapid rise in wage rates which confronted public employers as well as others.

• (8:30 p.m.)

[*English*]

The 1966 Budget

At the time of the budget last March it was evident that further fiscal restraint would be necessary. Two temporary measures were introduced directly affecting business capital expenditures, for which the usual winter survey indicated a quite substantial further rise was in prospect. One of these measures was a temporary reduction in capital cost allowances on new investments, to extend for a period of 18 months unless changed, and a second was a refundable tax on the "cash profits" of businesses. With the same purpose, it was proposed that advance provision be made for the removal of the sales tax on

production machinery and equipment in two steps on April 1st, 1967 and April 1st, 1968, offering a further inducement to defer capital expenditures.

It was also evident in March last year that some mild restraint should be imposed on the rising level of consumer expenditure. For that purpose the special tax cut which had been introduced in 1965 as an expansionary measure was reversed as of July 1st, with modifications to lighten the load on those with the lowest incomes.

I forecast that these various actions taken would reduce moderately the excessive rates of increase in the demands upon the economy in 1966. In concluding my budget statement I said:

"Our situation calls for some restraint in expansion; it does not call for deflation. As a nation we should ease up our foot on the gas pedal, not slam on the brakes. We want growth, but sustained growth, not erratic fluctuations. The keynote of this budget is moderation. This is what is needed today if we are to guide our economy towards successive years of expansion and continued prosperity."

These are the words I used in the budget of a year ago.

By September the force of the expansion was in fact beginning to moderate but we were all concerned over the inflationary tendencies that had become so widespread in the first half of that year, as well as with the growing number of serious labour disputes and with the large wage increases being made. In reviewing the situation in the house on September 8th, I announced on behalf of the government the deferral of some planned increases in expenditures and a continuation of restriction on our capital expenditure programs. These announcements, and the obvious concern shown by parliament over inflationary tendencies at that time, and the helpful response in certain quarters to the situation and to the appeal of the government, all contributed I think to cooling down the overheated condition of the economy.

By December the economic situation had improved, the rate of expansion in demand had clearly moderated and it did not appear necessary to introduce further measures of fiscal restraint. In the mini-budget on December 19th measures were introduced to increase revenue only by enough to counteract the effects then anticipated on our fiscal position and on the economy of the expenditures being authorized for the guaranteed income supplement. This was intended to preserve the position of delicate balance which the economy appeared to have achieved.

[Mr. Sharp.]

The Easing of Restraints

During the first ten weeks of 1967 it became evident that the rapid rise of business capital expenditures had slackened off and that we could and should remove the restraint provided by the refundable tax on business profits. On March 10th I announced the government's intention to introduce legislation to terminate the collection of this tax at the end of that month. Shortly thereafter on March 22nd, for the same reason, we took action to terminate at the end of March the period during which new capital expenditures would incur reduced rates of capital cost allowances.

During this past winter and spring, as the excessive demands on our economy moderated, it has been possible to encourage an easing of monetary and credit conditions and to permit a more rapid growth in the supply of money and in bank lending. This was in accordance with the views I expressed in the House last September. Long-term interest rates however have as usual been substantially influenced by rates in the United States and by the need to maintain a flow of long-term Canadian borrowings from the U.S. capital market. I am glad to take this opportunity to record my full support for the management and policy of the Bank of Canada during the recent period of difficult and rapidly changing conditions in our money and capital markets.

During the winter the government relaxed the special restraint that it had been imposing since August, 1965 on its own capital expenditure programs. The result of this change has not been visible as yet in any large increase in our planned construction expenditures this year, but I would expect that it will give rise to a larger increase next year.

Broad Economic Objectives

In our general economic policies over these last few years the government has had as its broad objectives those which have been set forth by the Economic Council as being indicated in the terms of reference given the Council by Parliament. These are, as defined by the Economic Council itself:

—full employment
—a high rate of economic growth
—reasonable stability of prices

—a viable balance of payments, and

—an equitable distribution of rising incomes.

In retrospect it is clear that during last year we have attained some of these goals but not all. In particular our unemployment rate, which had been nearly 8 per cent in early 1961, when the long period of expansion started, had been reduced to about 3½ per cent for the country as a whole, and to 2½ per cent in Ontario and to 2.1 per cent in the Prairie provinces. Our rate of growth in the working force, and in capital, was high—but not in productivity. Our balance of payments was viable, thanks to a continued large inflow of capital obtained despite the problems in the U.S. capital markets. On the other hand, we had much too rapid an increase in costs of production and prices. The rates of growth in business investment and public expenditures were clearly abnormal and could not go on.

There were, of course, special influences at work during 1965 and 1966 which undoubtedly contributed to the excessive rises in prices and wages though it is hard to appraise their importance. The increase in food prices was due in considerable part to temporary shortages in the supply of meats. The regional distribution of our unemployment, and limitations on the skill and mobility of our labour force, of course had something to do with the rapid rise in wage rates. Some of the rapid changes reflected the efforts of workers in some areas of the country to catch up in wage rates with those who had been getting more. The extension of collective bargaining to new categories of workers—some of whom had suffered from relatively depressed salaries —had something to do with it. There were many institutional and historical factors at work in addition to the economic forces revealed in the labour market statistics.

Demands, Prices and Productivity

Whatever the complex causes, it is evident that we in Canada had not learned to pace ourselves; too many Canadians were anxious to exploit the situation quickly—to get while the getting was good—and in doing so they overloaded the economy with excessive demands. Higher prices were the result. We Canadians have not taken to heart the obvious point that increases in our incomes must be founded upon increases in our productivity if we are to avoid self defeating and inflationary efforts to profit at one-another's expense. In 1966 our productivity in industry and trade increased very little, apart from the phenomenal grain crop and consequently there was little indeed to support an increase of the magnitude that occurred in average money incomes.

As time goes on we can expect to improve the skill and mobility of our labour force, the state of our technology, the efficiency of our management and the competitiveness of our industry. Such improvements should enable us to increase our productivity and get more real return for our work. In addition these improvements should enable the economy to operate with a lower proportion of unemployment without running into inflationary and unstable conditions, and thus should enable us to achieve the 3 per cent unemployment rate which the Economic Council proposed several years ago as a goal for 1970. If this is to come about, our immediate objective must be to combine growth with stability.

The Economic Prospect

In the light of this review of our recent experience let me now try to assess our position and prospects.

The current employment situation is reasonably satisfactory. Our labour force continues to grow rapidly. The overall rate of unemployment, seasonally adjusted, was 3.9 per cent last month. Production has of course increased over last year, but reflects the disappointingly small increase in productivity. Moreover, we cannot count on crops this year as good as the bumper crops of last year.

Our current account balance of payments is showing an improvement over last year, both in merchandise trade and in invisibles. Our export performance this year has again been gratifying. The rise in imports has been relatively moderate. We expect to receive very much more than usual from our tourist trade this year because of Expo and the Centennial. So far this year we are managing to finance our current account deficit in what is for us the normal way, by large scale long-term borrowing and by direct investment of foreign capital in businesses in Canada. Our arrangements with the United States concerning the balance of payments are working smoothly. We still have a larger current account deficit than I would regard as desirable as a long term objective. At present, however, this current account deficit and the related inflow of capital are powerful aids in meeting the large capital expenditures being made in Canada. Without them we would require a much higher volume of domestic savings.

I expect the demand both for exports and for consumer goods to continue fairly strong during 1967, though not at the same rate of increase as last year, especially in consumers' demands for durable goods. The rate of increase in government expenditures on goods and services has been slowing down, though social security payments are expanding more rapidly.

We are all aware of the survey that shows that capital expenditures planned by businesses are down slightly this year, particularly when account is taken of higher costs, whereas in past years such expenditures were increasing very rapidly. The removal of the temporary restraints imposed last year may well lead to some upward revision in such plans.

Outlook for Housing

House building is a key element in this year's situation. It was the chief victim of the boom in capital expenditures in 1965 and '66. The demands of business and governments for savings for other purposes left a shortage of funds available for housing. The continued growth in savings this year, a relatively small growth in business capital spending and a smaller requirement to finance increased inventories, taken together, should leave more funds available for mortgage financing.

The government is taking action to ensure that substantial funds are made available to finance housing. The capital budget of our Central Mortgage and Housing Corporation, tabled in January provides for disbursements of $788 million to finance housing in various forms, including direct mortgage lending program this spring of twenty thousand units, to ensure a revival of activity after last year's recession in house building. In the financial requirements for this year to which I shall refer later, I am including for housing finance, and for farm mortgage finance taken together, an amount that is equal to more than half the large total net borrowing of provinces and their agencies last year. This is a vivid illustration of our very substantial efforts in this field, and of the burden that this places upon government in raising funds.

• (8:40 p.m.)

I feel confident that the increase of funds and resources available for housing this year will bring an increasing volume of building this summer and fall. I share the view of my colleague the Minister of Labour that we should reach this year a total of 160,000 housing starts.

Pressures on Prices

The most unsatisfactory aspect of the 1967 situation in Canada, as in many other countries, is the continuing upward movements in costs and prices. Consumer prices for all categories, other than for foods, continue to advance at a troublesome rate. It is possible to recognize many special influences from month to month and allow for them, and to recognize as well that the price index does not fully take into account improvements in the quality of the goods and services sold. Nevertheless when all allowance is made for such factors, the rate of increase of consumer prices is more than we can tolerate on a continuing basis. The increase that has taken place in food prices over the past two years reflects overseas needs and North American affluence pressing against North American resources. In other sectors, price increases are too often the result of demands for increased incomes and profits by those with strong market or bargaining power, or attempts by others to keep up with the leaders.

It is evident from the decline in profits that in general costs of production have been rising more rapidly than prices. Costs of many things purchased by business have increased —materials, components, capital equipment and buildings. Some of these are imports and reflect increased world prices, others are domestic products. The statistics of hourly earnings in such broad industrial groups as manufacturing and construction show a large increase over the past year, and are reflected in labour costs per unit of output in manufacturing. New wage settlements resulting from collective bargaining this year show increases as large as those of last year. Most of the increases now occurring in wage and salary rates, including executive salaries are substantially in excess of the general increases in productivity that have been taking place. They clearly imply that further increases in prices are likely to occur.

Short-term Prospects

Taking all the various factors into account, before allowing for any tax changes, I would expect a total increase in our gross national product this year less than the abnormally high increase last year. We expect to see this accompanied by a more moderate increase in employment than we had in the tight labour market of last year. When the expected large growth in the labour force is taken into account we could see a modest temporary increase in unemployment. I would also expect

a somewhat smaller increase in prices than last year, with some further squeeze on profits.

I venture to present these implications, unpalatable as they may be, because they are essential to an understanding of the uncomfortable short-term position that confronts us during the period of transition following the very rapid rate of expansion of the last several years.

Longer-term Prospects

Let me now look beyond 1967. I would expect to see a greater increase in our gross national product in 1968 than this year. The increase in housing expenditures should be greater, and so should the increase in business capital expenditures. Government expenditures on goods and services will probably continue to rise, particularly at the provincial and municipal level. While we cannot count on the good fortune we have recently enjoyed in respect of grain crops, I would think our exports will respond to the upturn that is now widely expected in the United States later this year, as well as to the improved trade opportunities arising from the new trade agreements. Forecasting beyond the current year is chancy of course and a country so dependent on international trade and finance as Canada must always recognize its position is riskier than those of more self-contained economies. Taking account of the uncertainties I think we can reasonably expect a more buoyant economy next year, with declining unemployment.

In the two or three following years we can expect a further substantial growth in the labour force, as the large numbers born during the post-war bulge in the birth rate continue to move into the labour force. The proportion of married women wishing to take jobs may also be expected to increase further. Our immigration policy will lead to further growth in the working force. We can expect our labour force to be better trained and more mobile. We shall have the manpower base for substantial growth.

There should be a growing rate of family formation, and a continuing migration within Canada. These will mean an increasing demand for housing and social capital. There should also be growing demands for durable consumer goods and for the industrial production and investment to support the expanding requirements of Canadian consumers.

In international trade Canada will have new opportunities because of the results of the important trade agreements which are now being completed in Geneva. There will also be increased competition in our international trade. Our industry and our labour will have to compete vigorously with their counterparts in the United States and overseas. Costs will be important. The opportunities for trade, for production, for employment and for investment will be there—but we must seek them and hold them, not merely demand them.

In regard to future business investment it is encouraging to note that we do not appear now to have accumulated any general excess capacity. Canadian industry as a whole appears to require a stock of fixed capital equal in value to about 2½ times the value of its annual production. To keep this capital stock modernized and growing at a rate in line with the growth in output appears to require on average that about 15 per cent of our GNP be spent on business capital investment. The proportion of GNP used for this purpose rose as high as 17¾ per cent in 1957, fell to about 12⅓ per cent in 1962, and rose in 1966 to 16⅔ per cent, which was probably an unsustainably high rate. Business investment has probably receded from that rate now, but it should be sustainable at around the 15 per cent level in the next few years if we manage our affairs properly. Business investment can and should remain the principal dynamic factor in our economy, in addition to exports.

A very large market for housing is certainly in prospect for the next few years. The growth and movement of the population will ensure this. But the costs of houses, and to a lesser extent of apartments, have been rising. So has the cost of serviced land, particularly in metropolitan areas. The heavy reliance on real estate taxation to finance local government and much of education is also adding to the cost of owning houses.

I expect to see a growth in housing construction over the next few years, but we cannot expect to see it rise to satisfactory levels nor to see it result in the most desirable pattern of urban development until there is better planning, better control and better financing of urban development generally in Canada. That is one of the chief reasons why in the speech from the throne the government has proposed that a special study of urban development be undertaken in co-operation with the provincial governments.

In the field of government the Canadian people can be expected to want and demand

increasing public facilities and services requiring expenditures by all levels of government. The problems of course will be to finance these expenditures, to determine priorities among them, and priorities between these government expenditures and business and consumer expenditures, in order that the total of all expenditures in the Canadian economy can be kept in balance with our ability to produce.

When one reflects upon these prospects for the next few years, I am sure the house will agree with me when I say that I believe our main problem is not likely to be maintaining a sufficiently high level of demand, as it was during the late '50's and early '60's. Instead I see two more difficult problems. The first is to achieve a better rate of growth in our productivity—which has been too low in recent years. The second is to restore some stability to our prices and costs of production. The problems are, of course, inter-related, and their solution is essential to the maintenance of a high level of employment.

• (8:50 p.m.)

Programs for Productivity

We are now pressing ahead vigorously with measures to improve our productivity.

Firstly, we are, at all levels of government, giving first priority to the education of our young people—both basic education and vocational, technical and professional education. In view of the high growth rate of the age groups from about 15 to 25 this priority for education is putting a very heavy burden on public expenditure. It is a good investment for the future but we should understand, and most of all members of parliament should understand, that it diminishes the immediate return that we can get as individuals in higher living standards now.

Secondly, we are now working urgently on a major program of training and retraining of adults in our labour force. Last year the government accepted this as a federal responsibility and decided to deal vigorously with it. Success in it will improve both the opportunities for work and the productivity of our work in future. To promote labour mobility we have now a realistic system of relocation grants and arrangements for workers, operated by a manpower service which is being expanded and improved, as it must be if such a system is to be effective.

Thirdly, we are devoting more men and money to scientific and technical research and development, particularly in industry, in a wide range of programs designed to make our industry and our economy generally more productive. Both the federal government and the provincial governments are making better regional plans and offering better assistance to get industry to locate where it can utilize available labour which would otherwise be unemployed or poorly employed.

These major positive measures will improve our productivity as time goes on and also permit us to aim at progressively higher rates of employment without inflation. They will permit us to grow faster and further.

We are also planning to improve the opportunities for those now working in less productive industries and occupations. We are through ARDA and related programs promoting the radical improvement of the economies and societies of rural areas where productivity has been deplorably low. In other rural areas our regular farm credit programs and other farm programs are assisting and promoting the consolidation and improvement of farms so that our farmers can continue to improve their productivity and thus share constructively in our rising living standards. In the Atlantic provinces much is being done to improve the basic facilities for a productive economy and much success attained in enabling new industries to establish there. In Cape Breton special efforts are being made to re-orient and develop the economy on constructive lines to accompany the gradual phasing out of the unproductive coal mining operations.

Our trade and tariff policies will also help over time to promote the more productive and diminish the less productive units in industry. To help achieve this purpose it is our intention, should any industries be seriously affected by the trade agreements emerging from the Kennedy Round, to make available to them suitable measures to assist in making the necessary adjustments.

Essentially however productivity is not something that the government can achieve. It is a task for all of us. It is particularly a job for management and labour. It must be sought in all industries—those that are already productive as well as those that have lagged. Higher productivity should be sought not only where it can readily be measured, as in manufacturing industries, but also in many of the service industries and government where it cannot be measured. It is the real results in which we are interested. It is this and almost this alone which will enable Canadians to get higher living standards.

Prices and Costs

The chief obstacle I see to our attaining stable growth in the next few years is the danger of excessive increases in prices and costs. Our record in the past two years in this respect has deteriorated. Between April 1965 and this April the consumers price index has gone up by 7.3 per cent—and the rate has been accelerating recently for categories other than food. Wages and salaries have been rising at rates several times the overall increase in our productivity per man. Unit labour costs in manufacturing have increased by nearly 6 per cent over the most recent twelve months for which I have figures. Personal income per capita, which includes all kinds of income whether from wages, profits or government payments, has gone up by 17.6 per cent in the two years following the last quarter of 1964. This is the broadest indication of the upward movement in incomes, as compared to prices.

If unchecked, such increases in costs and prices must lead to increasing inequity and dissension in the country and to a worsening of our competitive position vis-à-vis the United States. This would impose a serious restraint on the growth of Canadian industry and frustrate our efforts to maintain a steady rate of expansion in the jobs available for our growing labour force.

These price and cost increases arise in part from the pressure of excessive demand on the economy or on important sectors of it. This has diminished somewhat in the past twelve months and should be noticeably less in 1967 as a whole than in 1966. We should and I believe we can manage our economy to avoid excessive demand pressures that must result in price increases.

But the trouble also arises from the exercise of market power by business and collective bargaining power by unions. We are all familiar with many examples of this in the past two years. It is more difficult to deal with this source of the inflationary tendency in our economy. Its roots are deep in the nature of our free society. Most of us are better organized and more active in promoting our own particular interests than we are in safeguarding the public interest—the good of all of us collectively.

Several times during the past year I have urged restraint upon those able to exercise market or bargaining power, asking that they take account of the public interest and do not take unreasonable advantage of the opportunities that our prosperous conditions have provided to so many now. I do so again here and now. Only by some care and restraint on a wide scale this year can we slow down the rate of increase in costs and prices. If we all endeavour to exploit the full measure of our bargaining power in the present situation we can certainly harm one another. Some will gain but others must lose.

We in Parliament have just undertaken to put collective bargaining into effect in our own public service. We have recognized and accepted the responsibilities which that involves for the government as an employer. We also have responsibilities to the taxpayers, on whom the costs will fall, as well as responsibilities in managing the economy as a whole. In the light of all these obligations the government and the representatives of its employees should strive to acheve settlements that are consistent with a pattern of settlements in the business sector which the economy can reasonably sustain.

From time to time during the past year I have spoken about the possibility of Canada adopting some sort of incomes policy or of guideposts for wage and price increases. Other countries have made attempts in this area, with varying degrees of severity and various degrees of success—or failure. Like the Governor of the Bank of Canada I would see great value in some means to support fiscal and monetary policies by mobilizing the force of public opinion behind non-inflationary behaviour on the part of those who are in a position to exercise strong market power. Like the Economic Council, however, I recognize the great difficulty of doing this in Canada by formal action that would find its expression in quantitative guideposts or specific patterns of behaviour. As I said last September eighth in the House, an effective policy of this kind would require active cooperation between federal and provincial authorities and a willingness in the business world as well as in unions and the ranks of labour to follow a central lead that commands a wide consensus of agreement and respect. Clearly we do not now have these necessary conditions.

Mr. R. A. Bell (Carleton): Mr. Speaker, I rise on a point of order, though in a most kindly way, in an endeavour to assist the minister to make his speech. The minister is delivering his speech with the greatest rapidity and it is difficult for those in the chamber and galleries to follow what he is saying. If the minister could reduce his speed by about 20 per cent only, I am sure his speech would be greatly improved. Let me say that in inter-

rupting the minister, and I hope that this fact is appreciated, I did so with the kindest of sentiments.

Mr. Sharp: I thank the hon. gentleman and I shall do as he asks. I was very conscious of the length of my speech and hoped that I should get through it in good time. I thought the argument I was making was familiar to hon. members and that it was being followed closely and carefully.

Mr. Douglas: Hear, hear.

Mr. Sharp: I shall endeavour to observe the hon. gentleman's words.

As I said last September in the house, an effective policy of this kind would require effective cooperation between federal and provincial authorities and a willingness in the business world as well as in unions and the ranks of labour to follow a central lead that commands a wide consensus of agreement and respect. Clearly we do not now have these necessary conditions.

Although guideposts, as such, may not be practicable for Canada now, I intend to continue to state what the facts indicate to be possible and what they show to be illusory. I believe that by this means we can develop a better and more widespread understanding of what is physically possible so that public opinion can be mobilized in opposition to actions of a clearly inflationary nature. Such an opinion can help persuade management, labour and government to follow practices that will lead to a dampening down of the upward sweep in consumer prices that has been taking place in the past twelve months. This budget statement and the other economic statements that may follow from time to time should serve at least as contributions to the discussion of our possibilities and limitations, that will help develop not only more understanding but some form of that consensus so necessary for success.

• (9:00 p.m.)

Government Accounts

Mr. Speaker, I should at this point note briefly the government's accounts for the past fiscal year.

Budgetary revenues for 1966-67 are estimated to have been $8,366 million, which is an increase of just over $100 million from the revised forecast of my supplementary budget last December 19th. Budgetary expenditures amounted to an estimated $8,794 million compared with the December forecast of $8,580 million. The deficit on this traditional public accounts basis was $428 million, as against the forecast of $320 million in the mini-budget.

In terms of the national economic accounts there was a surplus of some $141 million on government operations for 1966-67 compared with 576 million the previous year.

Our total cash requirements for the last fiscal year, taking account of non-budgetary transactions, were $719 million of which $711 million was obtained from the increase in our unmatured debt outstanding and the remaining $8 million from reducing our bank balances.

The Budgetary Outlook

Our present tax laws, given the economic prospects I have outlined, should produce budgetary revenues of about $9,000 million in the current fiscal year 1967-68. If the House agrees I would include in *Hansard* at this point, for easy reference, a table showing these forecast revenues by major categories and also the old age security revenues.

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

TABLE I

BUDGETARY AND OLD AGE SECURITY FUND REVENUES

—	1966–67 Preliminary	1967–68 Before Tax Changes
	($ million)	($ million)
Budgetary Revenues		
Personal income tax	2,472	2,815
Corporation income tax	1,593	1,570
Non-resident withholding tax	204	190
Estate tax	101	110
Customs duties	777	815
Sales tax	1,513	1,695
Other duties and taxes	776	835
Total taxes	7,436	8,030
Non-tax revenues	930	970
Total budgetary revenues	8,366	9,000
Old Age Security Revenues		
Personal income tax	576	785
Corporation income tax	150	161
Sales tax	560	597
Total old age security revenues	1,286	1,543

Mr. Sharp: Our revenues calculated on the basis used by the statisticians for our national economic accounts may be expected to total about $10,990 million. Details are given in tables showing our revenues and expenditures on this basis. I would ask permission that these tables appear in *Hansard*, following the ways and means resolutions, as has been usual in recent years.

Some hon. Members: Agreed.

Mr. Sharp: Forecasting expenditures this year I find more difficult than forecasting our revenues, because we have so many new programs whose cost is difficult to estimate until we have more experience with them. For example, I have just been advised last week that our new program for adult training will cost $50 million more this year than the amounts requested in the Estimates. It will be noted in the white paper that our accounts for last year—1966-67—show a substantially larger total expenditure than was forecast in the budget, while revenues turned out to be within one per cent of the forecast. In forecasting this year, I have tried to take into account this experience, as well as the enthusiasm and persistence of my colleagues and other hon. members in support of worthy but expensive ideas.

I am putting the forecast total of our budgetary expenditures this year at $9,700 million. On the national economic accounts basis they would be $11,220 million. These figures, taken with the revenue forecasts, imply a deficit on our budgetary accounts, before tax changes, of $700 million, and on the national economic accounts basis a deficit of $230 million. None of these figures takes into account the revenues from the Canada Pension Plan, to be invested in provincial securities, which we forecast at about $640 million.

Overall Financial Requirements

In addition to our budgetary accounts of revenue and expenditures we must take note of many transactions which change our recorded assets and liabilities, when determining our total financial requirements. The largest of these other requirements for cash arise from the loans, investments and advances that we make to government corporate agencies to enable them to carry out their operations, including notably the large mortgage lending by the Central Montgage and Housing Corporation and the Farm Credit Corporation. There are also loans we make to others including both domestic programs and aid to underdeveloped countries. The total net requirements for these loans and investments this year I forecast at about $1550 million. Offsetting these are net cash receipts of

about $620 million from government employee pension funds, annuities sold, insurance, etc., and from the surplus building up, for the present, in the Old Age Security fund, and miscellaneous net receipts of about $110 million.

Taking these and various other smaller transactions into account, but without trying to forecast requirements for the exchange fund arising from the future balance of international payments, I estimate our total requirements for cash—to be met from public debt operations or by reduction of our bank balances—at $1520 million, compared with $719 million in the past fiscal year. Our balances of Canadian cash at March 31st were $796 million, including $188 million arising from the refundable corporation tax, which have been segregated in our accounts but which I now intend to treat like any other part of our balances pending their repayment. That net repayment this year will amount to $52 million, over and above the other requirements I have mentioned.

We may with prudence use some of these high cash balances to meet our requirements during the year. However, it is evident that we face a major task in borrowing cash this year. In the fiscal year to date our net sale of market issues including Treasury Bills amounts to $245 million and I hope to make further progress in this area during the summer. We shall probably be able to sell about $100 million of non-marketable issues to the Unemployment Insurance Fund. We shall sell Canada Savings Bonds vigorously again this year as they enable us to reach sources of saving that few other borrowers are able to attract on such a scale. Because the total flow of savings in the economy has remained high, I am confident that the Canadian government's large requirements in this fiscal year will be met successfully.

Budget Policy and Tax Changes

The economic conditions and budget position which I have outlined for this year pose an important and difficult problem in fiscal policy for us. The pressure of demands upon the economy has relaxed moderately since last year, and it appears that the expansion of production this year may not carry the economy to what had formerly been regarded as its full potential capacity. On the other hand, the problem of abnormal price and cost increases remains with us. It is important that these inflationary forces be checked in the interests of long-term growth and stability.

[Mr. Sharp.]

The economy is in a state of approximate balance during a period of readjustment, cooling off somewhat from the overheated condition of last year.

The modest prospective deficit in the federal budget in terms of our national economic accounts will be a moderate sustaining force this year. Our lending operations are a more important force both in sustaining activity, notably in house building, and in setting the stage for further improvement next year and subsequently.

Consequently, our prospective budgetary and borrowing position is a necessary and desirable one this year. It will be a constructive element in the economy. Moreover, I believe that we can safely and properly make some tax changes for the purpose of reducing prices and costs, which I will set forth in a moment, even though they reduce modestly our prospective tax revenues.

Given this background and policy I would expect to see a gross national product for Canada this year higher than last year's by between 6½ and 7 per cent—say 6⅔ per cent, which I have used in estimating our revenues. The increase could be more, but if so it would probably be accompanied by a further undesirable increase in prices. In the light of my earlier remarks I believe we cannot expect the price element in the increase of the gross national product to be less than 3 per cent. Should prices and the gross national product rise more than I have assumed, there would be some automatic increase in our revenues, with a stabilizing effect. I would emphasize that the forecasting problem this year, like the policy problem, is more than usually difficult because of the process of readjustment we are going through.

Some persons, including some in this house, might well prefer that we should have reached the present position, in the budget and in the economy, with a lower level both of expenditures and taxes. This is a consistent position in economic terms, but it is not consistent with the views of this parliament, either of the opposition or of this government, as to the importance of our public expenditure programs. In any event this alternative is not open to us tonight.

• (9:10 p.m.)

In these circumstances, and in accordance with this general policy, I am proposing tonight a few reductions in sales taxes and tariffs which together with major tariff changes to be announced in July, should help to reduce costs and prices, and promote

efficiency. The modest increases in aggregate demand that result from these changes will be of a size and nature that will help in sustaining production in this year of transition without adding to the general pressures upon prices and costs.

After reviewing the various requests and suggestions I have received for changes of detail in the income tax, pending the major reform scheduled for next year, I have decided not to propose any amendments to the Income Tax Act in this Budget. This should be welcome to a Parliament that has already dealt with many income tax matters in the past year and must look forward to much important and difficult work on the Income Tax in 1968.

As a result the tax changes being proposed are relatively simple and will I believe be generally welcome and beneficial.

Drugs

The first change I am proposing is the removal of the sales tax on drugs as part of a major government attack on high drug prices. The purpose is to benefit the consumer, particularly the unfortunate consumer who has to pay large amounts for medicine for himself or his family. The Special Committee of the House on Drug Costs and Prices has made a comprehensive report in which this step is recommended along with others. My colleagues who have particular responsibilities relating to drugs will be announcing shortly the government's policy relating to some of the other recommendations of the Committee. The removal of the sales tax must be part of an effective program to reduce drug prices, which requires competition within the industry in Canada and from abroad.

I am accepting the Committee's recommendation that action be taken to confine the application of dumping duties to drugs of a kind made in Canada, rather than to those of a class or kind made in Canada. The necessary Order in Council has been made today under the authority of Section 6 of the Customs Tariff. This change will narrow considerably the scope of application of the dumping duty and should encourage greater price competition.

It is not necessary now in my view to ask the Tariff Board to review the tariff structure in drugs as the Committee recommended. I have had my department do so already and I am proposing in the Tariff Resolutions tabled tonight a new schedule of rates to go into effect immediately. These proposals have been taken into account in our negotiations in Geneva, but our chief objective in making the changes is to benefit the Canadian consumer.

With regard to the sale tax, I am proposing an exemption of a general character covering all drugs, whether prescribed or not, or whether for human or animal use. I considered the narrower exemption covering only prescribed drugs which the Committee recommended but this is difficult to define for a manufacturers' tax unless one lists the particular drugs to which it applies, presumably those saleable only by prescription. This would omit many common drugs that are extensively used and the government therefore favours the broader, more understandable exemption.

A serious problem arises in regard to the timing of the sales tax exemption for drugs, and its relation to the inventories of wholesalers and retailers acquired before the exemption. It is quite impractical to refund the tax that has been paid on such goods in stock, and it would be contrary to our general practice. It is most desirable that the reduction in the cost represented by the tax should be passed on to the consumer as soon as possible after it occurs. It is also desirable that the trade should be aware of the related changes in policy. I am therefore proposing that the sales tax exemption should take effect three months from now, on September 1st. Consumers should not expect the removal of the sales tax to be fully reflected in drug prices before that time.

The loss in revenue resulting from the sales tax exemption for drugs, as proposed, is estimated at $22 million per year—and perhaps half that figure for the current fiscal year. Three quarters of the reduction is in budgetary revenue, and one quarter in the Old Age Security Tax.

These changes in the sales tax, the tariff and the dumping duties taken together, along with the proposals to be announced by my colleagues, should bring about increased competition in the sale of drugs in Canada and in due course savings to the consumer greater than the amount of sales tax removed.

Production Machinery

[*Translation*]

My second major tax change relates to production machinery and apparatus. When we proposed that 6 percentage points of sales tax apply to production machinery and apparatus until next April 1st, we wished to induce the postponement of some capital expenditures.

In the present economic circumstances we no longer wish to restrain capital expenditures and I am proposing that this remaining 6 per cent tax be removed immediately. This action will provide an additional benefit in reducing somewhat the costs of production in future arising from the acquisition of such machinery and equipment this year, thereby enabling Canadian producers to compete more effectively in future with producers outside of Canada.

I estimate this change will reduce revenues by about $60 million in this fiscal year, half of it in budgetary revenues and half of it in receipts of the Old Age Security fund.

I have considered numerous suggestions that I should remove the special excise taxes applicable to television sets, radios, phonographs, electronic tubes, jewelry and certain other goods. I have decided to consider these in connection with our program for tax reform but not to act on them at this time. I see no economic or social reasons that would justify the fairly substantial loss of the revenue this year and we would only be able to replace the revenue in the context of more general changes.

I have also received suggestions that the tax should be removed from television sets capable of receiving Ultra High Frequency telecasts, as a means of promoting the sale of such sets and thereby encouraging the use of many more television broadcasting channels. While I am sympathetic to the purpose for which this suggestion is made, I think it can better be achieved in another way.

• (9:20 p.m.)

[*English*]

Tariffs

I would like to mention three of the tariff changes I am proposing this evening.

The first relates to the tariff item which provides duty free entry for "internal combustion tractors". The proposed amendment is designed to restore the scope of this item to what it was prior to a declaration of the Tariff Board last September. When this item was first introduced into the Tariff there was little doubt as to the meaning of the term "tractor". However, over the years, advances in technology and changes in design brought about a gradual evolution of various kinds of self-propelled machines such as front-end loaders, dozers and log skidders.

Faced with the growing difficulty of drawing a distinction between tractors and other machines, the Department of National Revenue asked the Tariff Board to clarify the legal position and state what criteria should govern the classification of goods under the tractor item as opposed to other tariff items. The Tariff Board on September 20, 1966, made a declaration in which it set forth a number of criteria. These criteria brought within the scope of the item a number of classes of machines which had not previously been admitted duty free under the Most-Favoured-Nation Tariff, namely front-end loaders or tractor shovels, tractor dozers, log skidders and log loaders.

The Board made it clear it was ruling on the legal meaning of the tariff item and pointed out that in making such a legal ruling it could not take into account the effects on Canadian production.

The proposed amendment to the item will exclude from it the integrated self-propelled special purpose machines I have mentioned, and for greater certainty, a number of others that are not now being admitted under this tariff item. Production facilities for many of these machines had been established in Canada over the years, on the understanding that the equipment was properly dutiable under the machinery items in the Tariff. Tractor dozers, log skidders and log loaders will revert to the tariff classification that prevailed before the Tariff Board decision. I propose that the duty on integrated front-end loaders or tractor shovels be 15 per cent most favoured nation instead of 22½ per cent. For this purpose I shall recommend a new tariff item. Farm tractors and other tractors will of course remain duty-free.

To explain the second tariff change I should recall that there has been a prohibition on the importation of margarine and similar substitutes for butter for many years. This rigid prohibition has been a source of hardship to people who suffer from certain allergies and have been denied access to special kinds of margarine not made in Canada.

I have had many letters and I am sure many members of the house have had similar representations.

I am proposing that the Governor in Council be given power to make exemptions from this prohibition by regulation in special cases.

The third proposed tariff change relates to the automotive program. There is now a tariff provision for a 99 per cent drawback of the duty payable on machinery and certain apparatus and precision instruments of a class or kind not made in Canada when used in the manufacture of motor vehicles and vehicle

parts. This provision is being broadened and is also being extended to cover manufacturers of motor vehicle accessories. This should be of particular benefit to the smaller Canadian firms producing automobile accessories.

Apart from those arising out of the Kennedy round which I will be introducing, the other tariff changes I am proposing either continue existing provisions for a further period or are of a relieving nature.

The tariff resolutions I am putting forward tonight would involve a small reduction in customs revenue but this should be fully offset by the increase in customs revenue to be expected as a result of the increased imports of production machinery resulting from the removal of the remaining portion of the sales tax on it. Customs revenues will of course be affected by the tariff changes resulting from the Kennedy Round agreements but these will not go into effect immediately and the revenue changes will occur only in the last months of the fiscal year. I have decided it would be unwise and unnecessary to try to anticipate them here.

Adjusted Budgetary Outlook

The tax changes I have proposed would reduce our budgetary revenues by an estimated $40 million in all this current fiscal year, and increase our forecast deficit by that amount—to $740 million. They will also reduce our Old Age Security fund revenues an estimated $33 million. This will leave a deficit of revenues, in our national economic accounts of about $300 million. Our overall cash requirements will also be increased by $73 million—to about $1590 million in all. If the House agrees Mr. Speaker, I would include in *Hansard* at this point a table showing forecast revenues before and after tax changes.

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

TABLE II

1967-68 Budgetary and Old Age Security Fund Revenues

—	Before Tax Changes	After Tax Changes
	($ million)	($ million)
Budgetary Revenues		
Personal income tax	2,815	2,815
Corporation income tax	1,570	1,570
Non-resident withholding tax	190	190
Estate tax	110	110
Customs duties	815	815
Sales tax	1,695	1,655
Other duties and taxes	835	835
Total taxes	8,030	7,990
Non-tax revenues	970	970
Total budgetary revenues	9,000	8,960
Old Age Security Revenues		
Personal income tax	785	785
Corporation income tax	161	161
Sales tax	597	564
Total old age security revenues	1,543	1,510

Mr. Sharp:

Conclusion

Mr. Speaker, this is a budget for further progress, both in terms of our economic well-being and in terms of our continuing effort to pace our prosperity.

This year, just as in 1966, there is no one-shot economic nostrum guaranteed to keep us healthy through the coming year. During the past 18 months our flexible approach was the most effective approach possible. This budget should be seen as a further stage in the continuing process of economic adjustment.

The decision against an increase in income tax rates is a positive step allowing our budget to exert the degree of support our economy requires this year. Meanwhile we have launched a major program to bring down drug prices. We have gained in the Kennedy Round tariff agreements a further measure to add to the wide array of programs by which we are seeking to modernize our economic structure and increase our productivity. We must continue to pursue vigorously these long-range reforms. At the same time our immediate goal is clear: to achieve a steady, balanced economic advance, avoiding the reefs of inflation and other economic dangers that could wreck our hopes for continued growth.

RESOLUTIONS

EXCISE TAX ACT RESOLUTION

That it is expedient to introduce a measure to amend the Excise Tax Act and to provide among other things:

1. That effective June 2, 1967, all goods listed in Schedule V to the said Act be exempt from sales tax.

2. That effective September 1, 1967, any material, substance, mixture, compound or preparation, of whatever composition or in whatever form, including materials for use exclusively in the manufacture thereof, sold or represented for use in the diagnosis, treatment, mitigation or prevention of a disease, disorder, abnormal physical state, or the symptoms thereof, in humans or animals, or for restoring, correcting or modifying organic functions in humans or animals be exempt from sales tax but that this exemption shall not apply to cosmetics or confectionery products.

3. That effective June 2, 1967, goods enumerated in tariff item 48100-1, namely "specially constructed boot or appliance made to order for a person having a crippled or deformed foot or ankle", and in tariff item 48105-1, namely "individual pairs of boots or shoes for defective or abnormal feet, when purchased on the written order of a registered medical practitioner", and articles and materials for use exclusively in the manufacture thereof be exempt from sales tax.

4. That effective June 2, 1967, artificial breathing apparatuses purchased or leased on the written order of a registered medical practitioner by an individual afflicted by a respiratory disorder for his own use be exempt from sales tax.

5. That effective June 2, 1967, plans, drawings, related specifications and substitutes therefor, and reproductions of the foregoing sold to or imported by manufacturers or producers for use by them directly in the manufacture or production of goods be exempt from sales tax.

6. That where materials for use exclusively in the construction of residences for students have been purchased by or on behalf of a company wholly-owned and controlled by Her Majesty in right of a province and established for the sole purpose of providing residences for students of universities or other similar educational institutions, the Minister of National Revenue may, upon application by the company made in such form as the Minister prescribes within two years from the time of the purchase of the materials, pay to the company an amount equal to the tax imposed by Part VI of the said Act that has been paid in respect thereof.

CUSTOMS TARIFF

1. Resolved, that Schedule A to the *Customs Tariff* be amended by striking out tariff items 20925–1, 21045–1, 22001–1 and the heading thereto, 22002–1 and the heading thereto, 22003–1 and the heading thereto, 26325–1, 40938–1, 42761–1 and the heading thereto, 42762–1 and the heading thereto, 44043–1, 44047–1, 47600–1, 56400–1 and 69315–1, and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget: British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
3805–1	*Yeast, n.o.p.*	5 p.c.	10 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
15640–1	*Tequila.....per gallon of the strength of proof* *and in addition thereto, under all tariffs, $9.00 per gallon of the strength of proof* *When the goods specified in this item are of greater or less strength than the strength of proof, the measurement thereof and the amount of duty payable thereon shall be increased or decreased in proportion for any greater or less strength than the strength of proof.*	$5.00	$5.00	$10.00	$5.00	$10.00	$10.00
20925–1	Potassium chloride..... (Applicable to December 31, 1968)	Free	Free	25 p.c.	Free	Free (Applicable to December 31, 1967)	25 p.c.
21045–1	Sodium hypochlorite in solution..... (Applicable to December 31, 1968)	15 p.c.	20 p.c.	30 p.c.	15 p.c.	20 p.c. (Applicable to December 31, 1967)	30 p.c.
22001–1	All medicinal and pharmaceutical preparations, compounded of more than one substance, *whether or not containing alcohol*, including patent and proprietary preparations, tinctures, pills, powders, troches, lozenges, filled capsules, tablets, syrups, cordials, bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters, essences and oils..	15 p.c.	15 p.c.	25 p.c.	17½ p.c. 17½ p.c. 25 p.c.	20 p.c. 20 p.c. 25 p.c.	25 p.c. 40 p.c. 60 p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget: British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
	Any article in this item containing more than forty per cent of proof spirit shall be rated for duty at ....per gallon and	$1.50 15 p.c.	$1.50 15 p.c.	$2.00 25 p.c.	$2.00 20 p.c.	$2.00 20 p.c.	$3.00 30 p.c.
22003–1	*Drugs, n.o.p.*	15 p.c.	15 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
26325–1	Compounds of tetramethyl lead, in which tetramethyl lead is the preponderant constituent by weight (Applicable to December 31, 1968)	12½ p.c.	12½ p.c.	25 p.c.	12½ p.c.	12½ p.c. (Applicable to December 31, 1967)	25 p.c.
35240–1	*Moulded shuttle blanks, not further manufactured than moulded, with or without metal tips, for use in the manufacture of shuttles*	10 p.c.	10 p.c.	30 p.c.	10 p.c.	10 p.c.	30 p.c.
40938–1	Internal combustion tractors other than highway truck-tractors *and other than the following integrated self-propelled machines: front-end loaders or tractor shovels, tractor dozers, log skidders, log loaders, fork lift or lift trucks, combination excavating and transporting scraper units, combination excavating and loading machines, street sweepers, mobile compressors, and snow moving machines;* accessories, n.o.p., and parts thereof, for tractors *entitled to entry under this item;* parts of *tractors entitled to entry under this item*	Free	Free	Free	Free	Free	Free
42711–1	*Integrated self-propelled machines commonly known as front-end loaders or tractor shovels; parts of the foregoing*	2½ p.c.	15 p.c.	35 p.c.	Free 10 p.c.	Free 22½ p.c.	Free 35 p.c.
	Machines and tools, including blades, loaders, rippers, rakes and related operating and controlling gear; all the foregoing for use on internal combustion tractors *entitled to entry under tariff item 40938–1:*						
42761–1	Of a class or kind made in Canada; parts thereof...	10 p.c.	22½ p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.

42762-1	Of a class or kind not made in Canada; parts thereof	Free	7½ p.c.	35 p.c.	Free	7½ p.c.	35 p.c
	Aircraft, not including engines, under such regulations as the Minister may prescribe:						
44043-1	When of types or sizes not made in Canada	Free	Free	27½ p.c.	Free	Free	27½ p.c.
	on and after July 1, 1968	Free	15 p.c.	27½ p.c.	Free	15 p.c. (on and after July 1, 1967)	27½ p.c.
	Aircraft engines, when imported for use in the equipment of aircraft:						
44047-1	When of types or sizes not made in Canada	Free	Free	27½ p.c	Free	Free	27½ p.c.
	on and after July 1, 1968	Free	15 p.c.	27½ p.c.	Free	15 p.c. (on and after July 1, 1967)	27½ p.c.
46241-1	*Microfilm reader-printers and parts thereof*	Free	Free	10 p.c.	2½ p.c.	15 p.c.	30 p.c.
47600-1	Surgical and dental instruments of any material; surgical needles; clinical thermometers and cases therefor; X-ray apparatus and X-ray film; microscopes valued at not less than fifty dollars each, retail; parts of the foregoing; electric light lamps designed for use with the foregoing	Free	Free	Free	Free 10 p.c. Various	Free 22½ p.c. Various	Free 35 p.c. Various
56400-1	Church vestments, prayer shawls, prayer shawl fringes and prayer shawl bags; *parts thereof*	10 p.c.	10 p.c.	20 p.c.	10 p.c. 20 p.c. 25 p.c. Various	10 p.c. 27½ p.c. 25 p.c. Various	20 p.c. 50 p.c. 35 p.c. Various
69315-1	Antiquities (other than spirits or wines) produced *more than one hundred years* prior to *date of importation*, under such regulations, including proof of antiquity, as may be prescribed by the Minister	Free	Free	Free	Free Various	Free Various	Free Various

2. Resolved, that Schedule B to the *Customs Tariff* be amended by striking out item 97052–1 and the enumeration of goods and the rate of drawback of duty set opposite that item, and by inserting therein the following item, enumeration of goods and rate of drawback of duty:

Item No.	Goods	When Subject to Drawback	Portion of Duty (not including Special Duty or Dumping Duty) Payable as Drawback
97052–1	Machines, precision instruments, apparatus, and control panels therefor; all of the foregoing of a class or kind not made in Canada; accessories and attachments for use with the aforementioned machines, precision instruments and apparatus; parts of all the foregoing, not including consumable tools.	When used (*a*) in the plants of manufacturers of motor vehicles, motor vehicle parts, *or motor vehicle accessories and parts thereof* for the manufacture of motor vehicles, motor vehicle parts, *or motor vehicle accessories and parts thereof;* or (*b*) for the manufacture of: (i) dies, jigs, fixtures, moulds, *and patterns therefor;* (ii) *cutting tools and parts thereof, for use with machines;* *all of the foregoing for use* in the production of *motor vehicles*, motor vehicle parts, *or motor vehicle accessories and parts thereof*.....	99 p.c.

3. Resolved, that Schedule C to the *Customs Tariff* be amended by striking out item 99204–1 and the enumeration of goods set opposite that item, and by inserting therein the following item and enumeration of goods:

99204–1	Oleomargarine, butterine or other similar substitutes for butter, and process butter or renovated butter, *unless in any particular case or class of cases exempted from the provisions of this item by a regulation of the Governor in Council.*

4. Resolved, that any enactment founded upon the foregoing resolutions shall be deemed to have come into force on the 2nd day of June, 1967, and to have applied to all goods mentioned in the said resolutions imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

FEDERAL GOVERNMENT REVENUE AND EXPENDITURE
ON NATIONAL ACCOUNTS BASIS

—	1965–66	1966–67 Estimate	1967–68 forecast before tax changes
	(millions of dollars)		
A.—REVENUE			
1. Direct taxes, persons	2,755	3,154	3,698
2. Direct taxes, corporations[1]	1,627	1,620	1,585
3. Withholding taxes	170	205	189
4. Indirect taxes	3,364	3,646	3,978
5. Investment income	628	670	801
6. Insurance and pension funds	612	703	743
7. Total revenue	9,156	9,998	10,994
B.—EXPENDITURE			
1. Goods and services: defence	1,583	1,670	1,717
2. Goods and services: other	1,813	2,273	2,554
3. Transfers to persons	2,334	2,587	3,092
4. Interest on public debt	1,077	1,159	1,237
5. Subsidies	269	397	444
6. Capital assistance	72	65	72
7. Transfers to other levels of government	1,432	1,706	2,106
8. Total expenditure	8,580	9,857	11,222
C.—SURPLUS (+) or DEFICIT (−)	+576	+141	−228

[1] Excludes taxes on government business enterprises. These taxes are included with government investment income.

FEDERAL GOVERNMENT EXPENDITURE: RECONCILIATION OF PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS PRESENTATIONS

	1965–66	1966–67 estimate	1967–68 forecast before tax changes
	(millions of dollars)		
1. Budgetary expenditure	7,735	8,794	9,700
2. Supplementary period adjustment[1]	− 6	−116	7
3. Expenditures of extra-budgetary funds			
Old age security fund payments	927	1,075	1,401
Unemployment insurance benefits	298	307	372
Government pension fund payments	114	128	140
Prairie farm assistance payments	7	6	6
4. Transfers to extra-budgetary funds	− 66	− 69	− 73
5. Adjustment to place other government funds and Crown agencies on a disbursement basis[2]	− 16	42	92
6. Budgetary expenditures offset againt income of government business enterprises			
Post Office expenditures	−242	−265	−283
Deficits of government business enterprises	−104	− 74	− 69
7. Reserves and write-offs	− 59	− 78	−167
8. Budgetary revenue items offset against budgetary expenditures[3]	−127	−140	−150
9. Other adjustments to budgetary expenditure	119	247	246
10. Total expenditure, National Accounts basis	8,580	9,857	11,222
11. Surplus or deficit, National Accounts basis	576	141	−228
12. Surplus or deficit, budgetary basis	(− 39)	(−428)	(−700)
13. Total, National Accounts basis	9,156	9,998	10,994

[1] In the national accounts, expenditures on goods and services in the supplementary period are split evenly between adjacent fiscal years. Most other expenditure items are shifted entirely to the next fiscal year.

[2] This adjustment replaces budgetary appropriations to various funds and agencies by the outlays actually made by these funds and agencies.

[3] The largest component of this item consists of revenue from sales of goods and services by the government sector. These sales appear as final expenditure of the private sector and are deducted to avoid double counting.

FEDERAL GOVERNMENT REVENUE: RECONCILIATION OF PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS PRESENTATIONS

	1965–66	1966–67 estimate	1967–68 forecast before tax changes
	(millions of dollars)		
1. Budgetary revenue	7,696	8,366	9,000
2. Supplementary period adjustment[1]	56	7	− 16
3. Extra-budgetary revenues			
Old age security tax collections	1,169	1,281	1,546
Unemployment insurance, employer and employee contributions	328	340	370
Government pension funds, employer and employee contributions	301	363	373
Prairie Farm Assistance Act levy	10	11	11
Interest receipts on social insurance and pension accounts	181	196	226
4. Corporate income tax[3]: excess (+) of accruals over collections	−128	−112	−135
5. Profits before taxes (net of losses) of government business enterprises	242	204	268
6. Interest on loans, advances and investments	222	270	307
7. Less: Budgetary return on investments	−488	−522	−556
8. Less: Postal revenue	−237	−256	−260
9. Budgetary revenue items offset against budgetary expenditures[3]	−127	−140	−150
10. All other adjustments to budgetary revenue	− 69	− 10	10
11. Total revenue, National Accounts basis	9,156	9,998	10,994

(1) In the national accounts, revenues in the supplementary period are shifted to the following fiscal year.
(2) Taxes on government business enterprises are excluded from this item and included in item 5.
(3) See also footnote 3, expenditure reconciliation.

Hon. J. W. Monteith (Perth): Mr. Speaker, I think there is one term which can be applied to this budget this evening. It is completely lacklustre; it is a gloomy budget. I think one might say it is a "ho hum" budget. I think this has been demonstrated completely by the appearance of the government benches. I have been here for all budgets which have been presented since 1953 and never in my attendance in this house have I seen such a slim and and inattentive audience.

Some hon. Members: Oh, oh.

An hon. Member: Look behind.

Mr. Monteith: I am looking behind. I am looking behind me as well as in front of me. It is obvious what the government supporters feel about this budget. It just has nothing to offer to the people of Canada. I can quite understand the minister trying to speak somewhat hastily in order to get through the budget in a hurry, because he is so ashamed of it. Early in his remarks he compared this budget to that of 1868. I should like to say that this budget bears sorry comparison with the budget of that day, 99 years ago.

There are one or two things for which I should like to commend the minister. He has taken the sales tax off drugs. This is what we recommended in the election campaign of 1965. He has taken the sales tax off productive machinery. The final 6 per cent is gone. It was a ridiculous tax in the first place. It should never have been put on and it definitely hurt Canadian expansion.

Mr. Bell (Carleton): Does the hon. member for Davenport (Mr. Gordon) approve of it?

Mr. Monteith: Now, Mr. Speaker, I do not intend to discuss in any detail this evening the content of the budget, without first availing myself of the opportunity to make the closest examination of all its implications. It has been suggested to me that what I should do simply is stand up, say this is the worst budget in Canadian history, and move the adjournment of the debate.

Some hon. Members: Hear, hear.

Mr. Monteith: Before moving that adjournment however, sir, I should like to make a few comments on the state of the country's economy, which I feel requires mentioning.

Before coming into the chamber I looked back over what I said on March 29, 1966 following the minister's budget presentation on that evening. I stressed then that the people of Canada were facing the largest government expenditure, the largest government tax bite, and the highest cost of living in our history. Actually that was the understatement of all time. The spending estimates for this fiscal year are up 20 per cent from those of last year—20 per cent, Mr. Speaker, one fifth. I ask, is there no levelling off to the spending of this government? It is undoubtedly the most expensive government to maintain in all Canada's history.

Mr. Starr: Ruthless spending.

• (9:30 p.m.)

Mr. Monteith: Mr. Speaker, we have a government where every minister sees himself, maybe even herself, as a potential leader. Every minister is trying, by spending a great deal, to get into the good graces of the citizens of Canada. All during this time the poor Minister of Finance has to pick up the tab and pass it on to all of us. He may mean well, but he is being overridden by his colleagues. These ministers are all empire builders, seeking power through the use of the money of the Canadian people. Every taxpayer in Canada is paying for the Liberal leadership stakes.

Let us look for a moment at the size of this government's spending activity. It appears that they have forgotten entirely that the private sector of our economy should receive some consideration. We are witnessing, not just a decline but the destruction of the private sector of the Canadian economy. Let us remember that no amount of government expenditure ever makes a profit. There is no incentive for Canadian investment in the economy today. If the party to which I belong were in office, we would not put the Canadian economy and the Canadian taxpayers in the position of having to raise hundreds of millions of dollars to finance overspending.

In this fiscal year 1967-68, at a time when the economy is tight, the government is heading for a monstrous deficit of $740 million. As a matter of fact, the money market is so tight that bond issues are being held up and private businesses are struggling to raise funds to expand and increase productivity. In spite of this the government steps in to raise hundreds of millions of dollars to pay for its big spending.

How many factories are there unbuilt; how many jobs have never been created and how many houses will never be built because this government is overspending and using too much of the economic resources of the Canadian economy—the resources required by private business and individuals? Tonight we have an example of deficit financing at a time when prices are still rising. This can lead to only one thing, inflation and higher and higher prices to the Canadian consumer. What has been proposed here tonight is that the Canadian housewife in the months ahead will find her bag of groceries containing less and less, while she pays more and more.

In short, the Liberal leadership campaigns are costly ones indeed, and place an immense strain upon the Canadian economy. As a Conservative I am deeply concerned with the government's attitude toward housing. The budget papers show a sharp drop in housing starts, with 1966 apartment buildings for example running one third below 1965, and despite some attempt to increase direct loans through C.M.H.C. the 1966 housing starts ran to 135,000, some 20 per cent below 1967 with 167,000 starts.

At the same time housing starts were declining, the price of housing was soaring out of reach, partly because the government had imposed the sales tax on building materials. I do not think the government has an answer in respect of Canada's housing crisis. As a Conservative, I resent the idea that housing should be used as a sort of fiscal gimmick, as a sort of bath tub tap that can be turned off and on. Our Conservative caucus has made our position very clear, and our policy statements show this. Housing should not be the first victim of a tight money policy. Home building should be steadily and continuously promoted, and home ownership should be encouraged. Decent housing is as important as three meals a day.

What do we see in this budget that is likely to assist in meeting these goals? I suggest that we see nothing. All we see is a continuing tight money policy with higher and higher home prices. This government never has been able to sense or feel the instincts of the average Canadian, the man on the street.

There will be much more to be said after a careful and detailed examination of this budget, but for the moment I should like to conclude by repeating my precious criticisms.

The net result of this evening's presentation by the minister is that we have the largest spending, the highest taxing, the highest cost of living, and practically the greatest deficit in all our history. What a record this is.

On motion of Mr. Monteith the debate was adjourned.

Mr. MacEachen: Mr. Speaker, may I call it ten o'clock?

BUSINESS OF THE HOUSE

Mr. Starr: Mr. Speaker, I should like to ask the government house leader to give us an indication as to whether there is any change in the program of the business to be taken up tomorrow.

Mr. MacEachen: No, Mr. Speaker. The program as outlined last evening still stands, and will stand until Wednesday evening of next week.

Mr. Speaker: Is it agreed that the adjournment debate be suspended this evening?

Some hon. Members: Agreed.

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

BUDGET PAPERS

presented by

the Honourable Mitchell Sharp, M.P.,

Minister of Finance

for the information of Parliament

in connection with the Budget of 1967-1968

FOREWORD

The purpose of these Papers is twofold:

1. to present a general economic review of 1966, bringing together in one place and in convenient form some of the more comprehensive indicators of economic conditions prepared by the Dominion Bureau of Statistics, the Bank of Canada and other Government Agencies, together with some comments;

2. to present a preliminary review of the Government Accounts for the fiscal year ending March 31, 1967.

PART I

Economic White Paper for 1967

	PAGE
The Canadian Economy—Review and Outlook	887
Summary review of 1966	887
Outlook in 1967	890
Pressure of Demand	894
Private and Public Investment	896
Personal Expenditure	899
Movement of Inventories	901
Exports of Goods and Services	903
Government Expenditures	905
Problems of Supply	905
Manpower Developments	905
Employment	908
Regional Employment Trends	909
Income Developments	913
Output, Productivity and Production Costs	915
Price Developments	922
Imports of Goods and Services	926
Government Sector	928
Balance of Payments	933
Current Account	933
Capital Account and Reserves	938
Source and Disposition of Saving	940
Financial Sector	942
Introduction	942
Demand and Supply of Funds through the Capital Markets	943
Federal Government Debt Management	949
Index to Reference Tables	953

The tables and charts in this Budget Paper are based upon estimates provided by the Dominion Bureau of Statistics, the Bank of Canada and other government agencies. Some of the figures appear for the first time; others have been published elsewhere. All 1966 estimates are preliminary and subject to revision.

ECONOMIC REVIEW FOR 1966

THE CANADIAN ECONOMY: REVIEW AND OUTLOOK

The year 1966 began with great pressure on Canadian productive capacity and a rate of increase in output which was too great to be sustained. Associated with this pressure were substantial increases in costs and prices, which threatened the basis upon which the long period of business expansion had been founded. Expenditures of all kinds were rising rapidly, and the economy was in general being overloaded.

The generally well-balanced nature of Canada's economic progress during the years 1961 to 1965 was a notable feature of that period. The expansion in output which occurred, by exceeding the underlying growth in Canada's productive capacity, progressively absorbed unused resources of labour, plant and equipment. As these resources came close to full employment in the latter part of 1965 it became necessary to moderate the rate of advance, to avoid an economic disruption. During 1966 some desirable adjustments did in fact take place, influenced to a large extent by the monetary and fiscal climate of the period.

The objective of the 1966 Budget was a successful transition to a sustainable rate of growth, in which the growth in output would keep pace with the growth in productive capacity without bringing about either excessive cost and price pressures or slack in the economy. The achievement of such a transition depends upon avoiding excessive increases in *particular* costs and prices on the one hand, and in the inventories, output or capacity of *particular* industries on the other, which cannot be absorbed without such serious readjustments as to threaten the stability of the economy as a whole. Events during 1966 indicated that excesses had developed, and measures designed to restore a better balance within the economy were put into effect. Afterwards there were continued, but more moderate, gains in output, employment and expenditures through the remainder of the year. The effects of excessive pressure, as reflected in price and cost movements, did not begin to diminish until the end of the year, and they continued, in a somewhat lesser degree, into 1967.

These developments, together with the largest wheat crop ever harvested, resulted in a gross national product in money terms that was 10.9 per cent higher than in 1965 (reference table 1). Prices, as measured in the national accounts, averaged 4.6 per cent higher. Real GNP thus rose by 5.9 per cent. (Major reference tables will be found beginning on page 75).

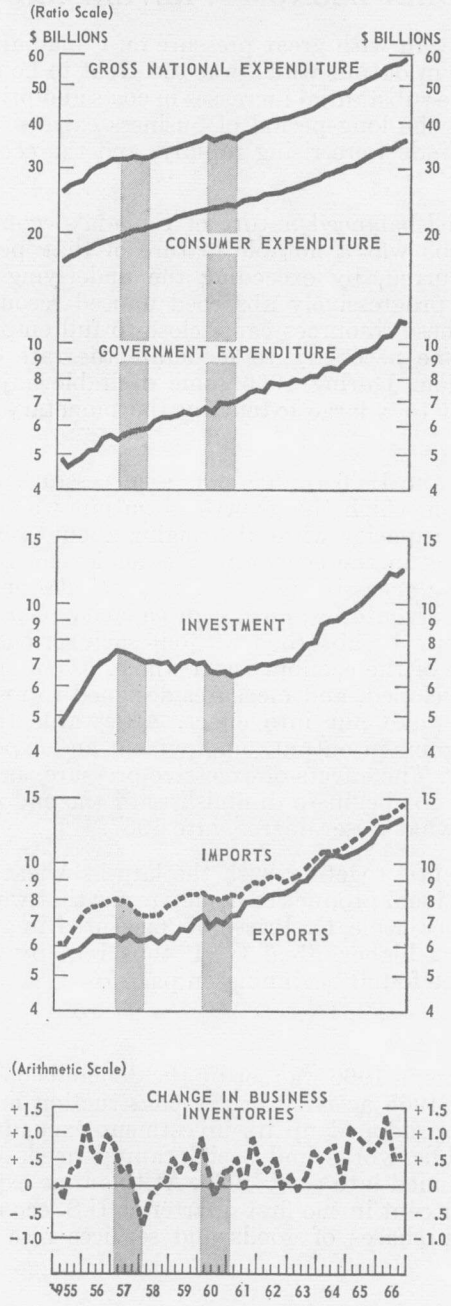
Expenditures

The pace of events in 1966 was set by the demands on the economy. During the latter months of 1965 activity in the construction industry had mounted, as the business sector stepped up its investment expenditures and as government outlays on public works and social capital needs continued to expand. These pressures continued into early 1966. At this time exports rose sharply, increasing by over 8 per cent in the first quarter as U.S. economic activity accelerated. Government purchases of goods and services rose strongly. Inventories

CHART 1

GROSS NATIONAL EXPENDITURE AND SELECTED COMPONENTS IN CURRENT DOLLARS 1955 - 1966

(SEASONALLY ADJUSTED AT ANNUAL RATES)
BY QUARTERS



began to mount. Consumer expenditures advanced more moderately than previously, but still added substantially to the first-quarter increase in demand These developments are summarized in reference tables 2 and 3.

In view of this strength in demand, the business sector revised its investment plans upward, a development which would have added still further to demand pressure. As prices rose and other evidence of strains upon supply capacity became evident this led to attempts to accelerate some expenditures. However, consumer expenditures in the second quarter advanced only fractionally, reflecting a number of special circumstances; the growth in government expenditures temporarily slowed down; and exports receded slightly from the exceptional first-quarter levels. In the later months of the year the large consumer sector resumed a comparatively rapid rate of growth, which provided strong and stable support to total expenditures. Government outlays also resumed more rapid growth. But the growth in business investment, which had been very rapid for three years, slowed down during the second half of the year.

Despite the pressures on the economy, the deficit on current international account declined moderately in 1966 to a level of about $1 billion. The reasons for this decline are not yet fully apparent. However, the explanation lies in part in larger wheat exports and some improvement in the balance on trade in automotive products.

Employment, Output and Productivity

The labour force and total employment in 1966 grew at very rapid rates, by comparison with recent Canadian experience and by comparison with other industrialized countries. This was a direct response to the high and rising level of demand for goods and services. The sources of growth were natural increase in the population of working age, higher labour force participation by women, and increased net immigration.

The sustained demand for workers led to a further decline in the annual average unemployment rate, which fell from 3.9 per cent in 1965 to 3.6 per cent in 1966. It also brought into the labour force a number of part-time workers; while 149,000 more women had jobs in 1966, 20,000 of these worked only part time. Many others, especially the younger ones, lacked experience.

Partly as a result of these developments, the gain in productivity per worker in the non-agricultural economy was very small during the year. Output of non-farm goods and services, or real domestic product, rose by 6.3 per cent during 1966, and the 5.4 per cent increase in non-agricultural employment indicated a gain in output per worker of less than one per cent.

Agriculture made a particularly notable contribution to total output in 1966. The bumper prairie grain crop was the main factor in the sharp increase of 12 per cent in total farm output.

Costs and Prices

As the demand for labour continued at high levels in most parts of Canada, wage rates moved up rapidly in most industries. This acceleration, which had first appeared in the construction trades, spread to both goods production and the service industries. New contract settlements provided for higher gains than have occurred in recent years, and longer-term contracts provide for further increases in the next two or three years.

This combination of higher wage rates and a relatively small advance in productivity have brought about rising labour costs in production. In the manufacturing industries, where Canada's competitive position both at home and abroad is particularly important, labour costs for each unit produced, which had been falling as recently as 1964, rose by 3.8 per cent in 1966. In the non-farm economy as a whole, including government services, the 1966 rise in unit labour costs was 5.2 per cent. (No way has yet been found to measure productivity in government and non-commercial services, and it is assumed for statistical purposes to remain unchanged, which exaggerates increases in unit labour costs.)

Profits per unit of output in the non-farm commercial economy declined in 1966. In such circumstances, some price increases usually follow. While prices rose throughout the year, the rise was most rapid in the first quarter, when suppliers were best able to cover current or expected increases in costs. Consumer prices also were affected by this conjuncture of events, and shortages of certain foods intensified the upward pressure on prices. The degree of pressure on food prices moderated as the year wore on. Increases in costs continued at high rates throughout 1966, even after demand pressures had moderated.

Monetary Developments

The high level of investment activity, and of economic activity generally, was reflected in heavy demands for credit. This occurred at a time when international capital movements also were affected by sustained demand for funds and high interest rates in the major industrialized countries. Interest rates in Canada, reflecting both the intense domestic competition for savings and the need to compete in U.S. markets for funds to finance the deficit on current account in the balance of payments, reached levels not recorded since the 1920's and remained quite high until the closing weeks of the year.

Outlook in 1967

The following review of the main segments of expenditure suggests that the growth in output in 1967 will be considerably less than that of 1966. Prices and costs are likely to increase again, although more moderately, as the pressures generated in 1966 work through the economy.

Consumer expenditures in 1967 are expected to constitute an element of strength in overall demand. Purchases of durable goods should be sustained by the continued strength of disposable income and the customary need for replacements. Some minor reductions may occur in the first half of the year, but an increase is likely during the second half of the year for non-automotive products because of an expected rise in housing activity. The remainder of personal expenditure, on non-durable goods and services, plays a very much larger part in the total than durable goods and is characterized by a steady long-term upward trend. Items such as food, clothing, shelter and professional services are purchased steadily. This imparts a substantial degree of stability to consumer expenditures and hence to GNP as a whole.

Expenditures by governments are expected to continue rising but at a more moderate rate than in 1966. Capital expenditures on schools, hospitals and universities are likely to rise substantially, while departmental outlays on public works such as buildings and highways are expected to continue at present levels.

Operating expenditures by governments can also be expected to increase at a more moderate rate in the coming year, even after allowing for the effects on government payrolls of the acceleration in wage rates that has been taking place in the Canadian economy over the past year or so.

The outlook for exports depends upon developments in the economies of Canada's principal trading partners. The very rapid increases in economic activity in the United States in 1966 have been followed by a more moderate rate of expansion. In the latter part of 1966 there was a substantial build-up of inventories, and observers consider that this level of inventories will be worked down in the first half of 1967. Recent surveys of business investment suggest little change in the first half of the year and a moderate increase for the year as a whole. Total GNP in the United States is expected to increase at a rate considerably below the rate achieved in 1966.

The prospects for Canada's exports to other countries are mixed. There has been little change in output in the United Kingdom and Germany in the latter part of 1966, but modest increases in both countries are now expected. France, Italy and other European countries are continuing to expand, but at slightly lower rates than foreseen earlier. In general, there has been in recent months some scaling down of expectations as to the increases in output likely to be achieved in Europe this year. The Japanese economy is expanding strongly, as are Canadian exports to that country. Wheat shipments to the U.S.S.R. and to Mainland China are continuing at a high level.

In summary, Canada's prospects for exports of goods are favourable for the coming year. The rapid upsurge of the past year cannot be expected to be repeated, but the 1967 increase should nevertheless be substantial.

Expo '67 and the Centennial celebrations across Canada are expected to add considerably to Canada's receipts on non-merchandise trade.

Changes in merchandise imports depend to a considerable extent on trends in purchases of producers' equipment and consumer durable goods. The prospective steadiness in Canadian outlays on these goods can be expected to lead to a much smaller increase in imports in 1967 than occurred in 1966.

On balance, the current account deficit might be expected to decrease slightly in 1967.

The investment outlook report recently published indicated a very small increase in new fixed investment in 1967, in sharp contrast to the average annual increase of 16 per cent recorded in the three preceding years. In 1966, total investment amounted to 25.8 per cent of GNP; in 1967, the ratio is expected to be about 24½ per cent.

PER CENT CHANGES IN INVESTMENT

	1964	1965	1966	1967
	1963	1964	1965	1966
Business Capital	21.1	19.9	18.3	−0.2
Housing	18.4	5.2	2.3	−0.3
Institutions (Schools, hospitals, etc.)	−11.7	31.3	17.2	16.5
Government Departments	13.7	16.7	19.9	1.8
Total Investment	16.5	17.6	15.8	1.4

This moderation of the rate of growth has been brought about by a combination of forces. The most important of these is undoubtedly a reaction from the large increases in investment which businesses tried to undertake in 1965 and 1966. In addition, businesses have been finding it more difficult to finance these large rates of increase, whether from their own internal sources or by borrowing, a reflection of the physical strain that had developed. Moreover, the increase in costs and the decline in unit profits that have taken place have undoubtedly influenced many investment plans.

Among industrial groups, manufacturing industries in recent years increased their outlays on fixed capital more rapidly than other industries, and their investment reached a sharp peak in 1966. Their plans for investment in 1967, together with information available on capacity utilization rates, suggests that these industries have completed their existing major projects and that there is now a better balance as between their existing fixed capital and their immediate market prospects.

Within manufacturing, a few specific industries such as iron and steel, pulp and paper products, chemicals and cement account for the bulk of the current decline in investment expenditures. These industries had previously experienced the most rapid increases in investment (in some cases owing to special circumstances), and now appear to have adequate capacity at current or immediately prospective levels of output. The levels of investment planned for 1967 by other manufacturing industries differ little from 1966.

Utilities and transportation industries are planning further expansion in their capital outlays, though the increase will be somewhat smaller than in 1966. Increases are also continuing in retail and wholesale trade. Planned fixed capital outlays in the commercial service industries are lower, probably as a result of the completion of projects connected with Expo '67. There is also a small decline forecast in finance, insurance and real estate.

An acceptable ratio between capital stocks and output appears to have been achieved by the large additions to plant capacity which were made in the past three years. At the same time, although the available information on capacity utilization rates is limited, there is little evidence of general excess capacity relative to existing markets, such as existed in 1957. On the contrary, the available evidence points to a better balance between physical capacity and output, so that the adjustment from exceptionally rapid increases in capital investment expenditures to a more normal and sustainable rate of increase can be expected to be accomplished reasonably soon.

In 1966 capital investment plans by business were affected by a shortage of available funds, resulting in part from a decline in retained cash flow and from very heavy competition for funds on the market. Government fiscal and monetary policies reinforced these constraints. These constraints have now been removed. Excessive demands for funds are no longer pressing on the capital market, a move toward world-wide monetary ease has become more apparent since the beginning of the year, and fiscal restraints on investment announced in the 1966 Budget have been removed. The investment plans of business at the beginning of 1967, as shown in the investment outlook survey, were prepared before the nature of these changed circumstances became evident, and may now be revised.

Residential construction activity is expected to increase during 1967 as more funds become available from market and government sources. The greater availability of funds from private sources will be in part a consequence of the less

vigorous competition from expanding business investment. In addition, the NHA interest rate was made more flexible and responsive to market conditions by relating it to the long-term government bond rate. It is also expected that the Bank Act revisions will make available additional funds as a result of chartered bank lending on residential mortgages. Continued direct lending by the Central Mortgage and Housing Corporation, which is undertaking a large spring lending programme for the first time in some years, will also contribute to the availability of mortgage funds. It is expected that there will be at least 150,000 new housing starts in 1967, a considerable improvement over the 135,000 starts of 1966. The house-building programme will gain momentum during the year, and this presages a higher level of house-building activity in 1968.

Inventory accumulation which was high in mid-1966 continued at a more moderate rate in the closing months of 1966, and there was a levelling off in inventory-sales ratios, which had been rising during the summer months. It is difficult to predict the trend in 1967, although it is possible that some working off of inventories may already have taken place. The situation varies by industry, some having adjusted their production to current shipments, while others have gone on increasing their stocks. New orders in some manufacturing industries have tended to level off, suggesting that some inventory stocks are being worked down to meet current demand. This adjustment has been taking place gradually, so that no large decline in inventory is expected in coming months. At the same time, not very much accumulation can be expected and hence inventory change is not likely to be an element of demand expansion in 1967.

To sum up the outlook for total demand during 1967, there will likely be considerable expansion in consumer spending on non-durable goods and services, government current outlays and exports. The strength of these factors, together with a smaller rise in imports than in 1966, should be more than sufficient to counterbalance the expected slower rate of increase in purchases of consumer durable goods and in business investment. Nevertheless, the growth in output, both in money and in real terms, is expected to be considerably less than the unsustainable rate of growth experienced in 1966.

Business fixed investment is expected to form a smaller proportion of gross national product than in 1966. Additions to inventories will also be substantially less. This means that the business sector will make less call upon the savings of the Canadian economy, which increase each year as the potential of the economy grows. Some of the savings will be absorbed by greater housing activity as the year progresses. Other savings may be absorbed by governments to the extent that the increase in government revenues, reflecting a more moderate growth in incomes, does not match the increase in planned expenditures. The crucial matter for the economy is how the balance between total saving and investment is reached. In periods when intended investment exceeds saving, pressures on costs and prices develop. On the other hand, when intended investment falls short of potential savings these savings need to be absorbed if resources are not to be wasted in idleness. The appropriate balance between saving and investment at high levels of employment, within a framework of price stability, is a delicate one to reach and sustain.

Supply

On the supply side, the present level of employment is over 96 per cent of the labour force; unemployment in the opening months of 1967 averaged about 3¾ per cent. Immigration is expected to continue at a high rate during 1967.

However, the year 1966 was one in which the proportion of the population of working age which actually participated in the labour force increased unusually rapidly, and it is unlikely that the 1967 participation rate will again record such a remarkable advance. Between 1965 and 1966 the participation rate increased from 54.4 to 55.1 per cent, with a large part of this increase occurring in the younger age groups and among female workers of all ages. As a result of a more moderate rise in the participation rate, the increase in the labour force is likely to be somewhat less rapid in coming months than it was in 1966.

The productivity performance of the economy in 1967 is particularly difficult to forecast. The results of 1966 were disappointing for reasons that are not yet clear. However, using recent performance as a short-term guide, the combination of productivity and employment gains suggests that non-farm output is capable of increasing substantially in 1967, even if at a more moderate rate than in 1966. Substantial increases in capital equipment in the past three years have improved the industrial base for further increases in output and productivity in the Canadian economy. In the agricultural sector, it cannot reasonably be expected that last year's record wheat crop will be duplicated. In all, it would be reasonable to expect an increase in the supply capability of the economy as a whole in the neighbourhood of four per cent in 1967.

It is also difficult to predict how long the process of adjustment among costs, prices and profits will continue, but further increases in costs and prices can be expected during 1967. The extent of the increase is uncertain; it will be less than in 1966, because of reduced pressures of demand, but larger than is desirable from a long-term point of view.

In the past, increases in costs have exceeded those of selling prices in later stages of expansion, and profits have levelled off or declined. The levelling off in profits has usually been followed, after a lag, by a slowing down in the rate of new investment. In the current situation fiscal and monetary policy has aimed at moderating the excessive increases in investment and bringing about a smooth adjustment to a sustainable rate of economic growth. Increases in output are currently more in line with the underlying potential for economic growth, and levels of employment have remained high. The relationship of increases in incomes to productivity gains remains a crucial question; if the rate of increase in incomes moderates and productivity can be improved, it should be possible to have a rapid and smooth adjustment as between prices and costs. In turn, this would provide a profitable basis for a continuing and steady growth in investment, and improve Canada's international economic position. These developments would help to ensure that sustained economic expansion would continue into 1968.

PRESSURES OF DEMAND

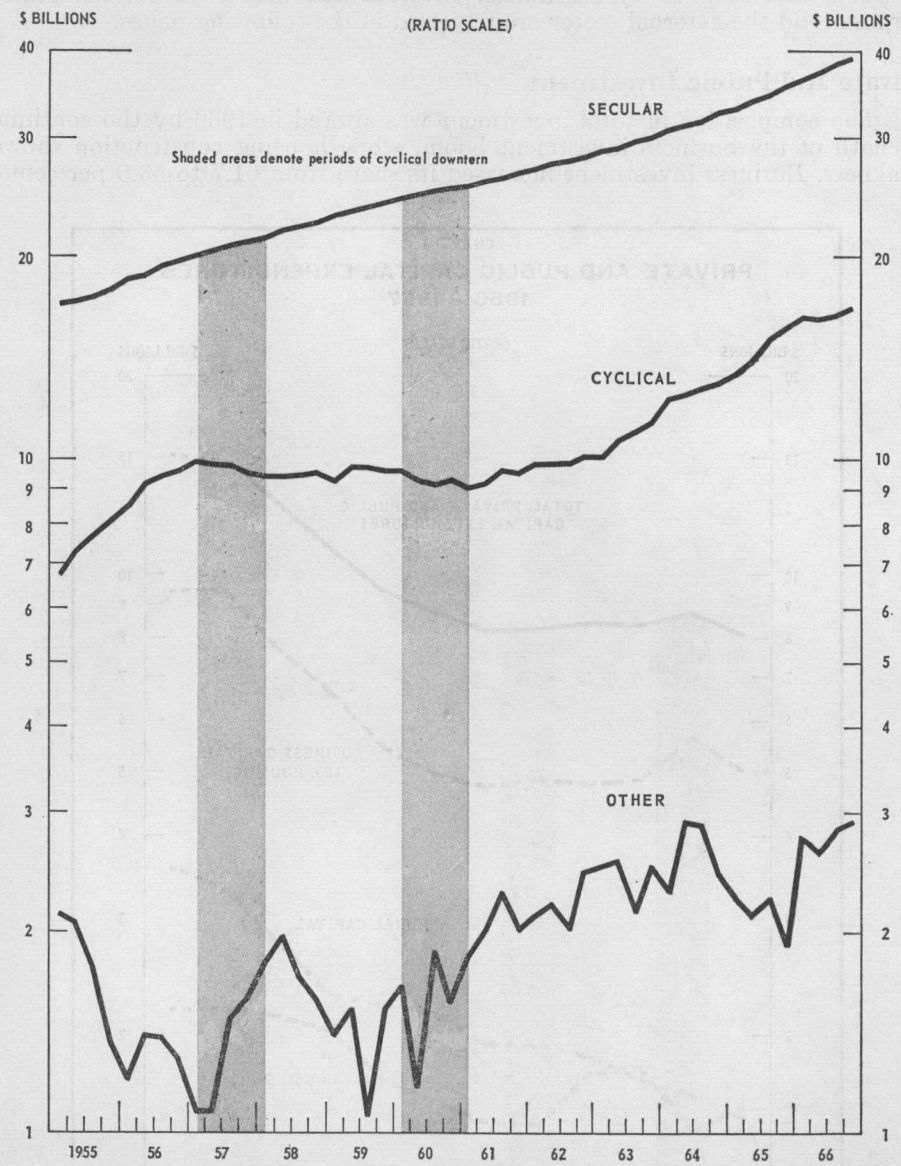
Demand for goods and services in the Canadian economy increased substantially in 1966. Following an unusually rapid rise in total demand in the latter half of 1965, the pace of demand quickened again in the first quarter of 1966. Consumer purchases of durables moved ahead, exports increased sharply, governments increased their expenditures, and there was a turnaround in inventory movements from decline to an accelerating rate of accumulation. The pace, however, was clearly unsustainable and total demand reverted to a more moderate rate of growth in subsequent quarters.

The adjustments to a more moderate rate of growth were not uniform among the various components of demand. Chart 2 illustrates the movements

CHART 2

NATIONAL ACCOUNTS - COMPONENTS OF EXPENDITURE
1955 - 1966

QUARTERLY – SEASONALLY ADJUSTED



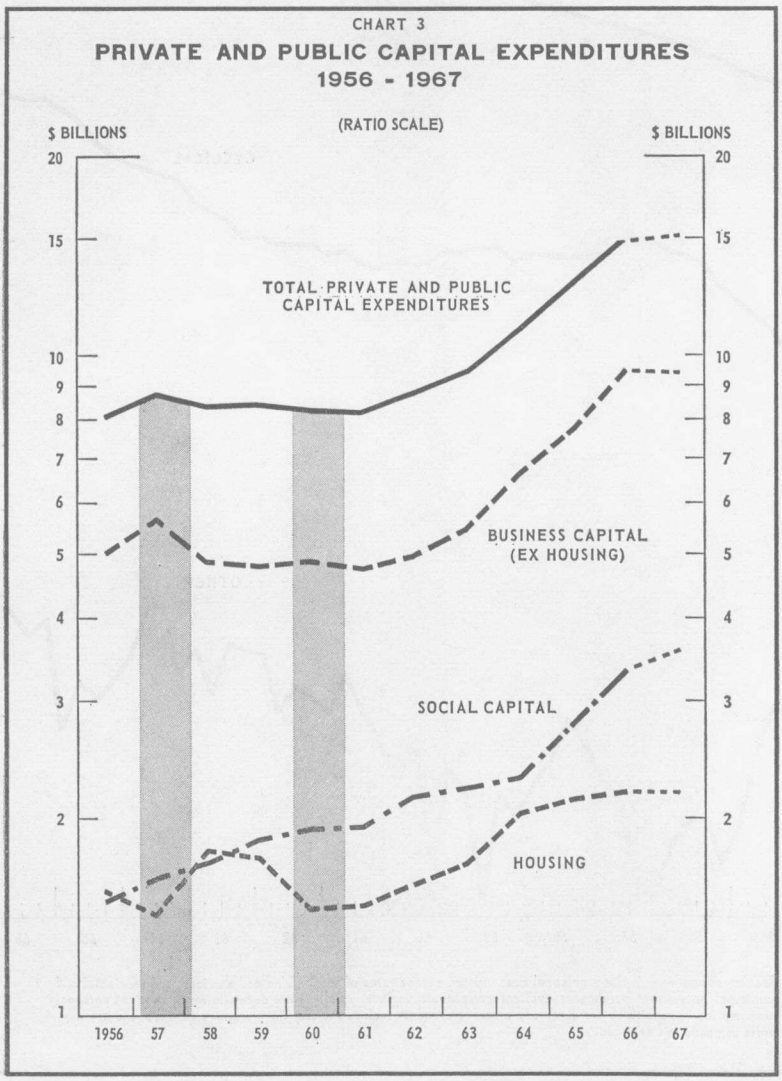
Note: Secular components include personal consumption expenditures of nondurables and services, and provincial and municipal government purchases; cyclical components include gross private domestic investment and personal consumption expenditures for durables; other components include Federal Government purchases and net exports of goods and services.

27053—57½

which developed during the year. The secular components of total demand continued to advance while some of the more volatile and other components checked their quarterly gain from the exceptional rates recorded in the second half of 1965 and the early months of 1966. Total demand in money terms continued to advance to year-end despite these readjustments. Trends in demand for goods and services by consumers, governments, businesses for investment purposes and the external sector are reviewed in the following pages.

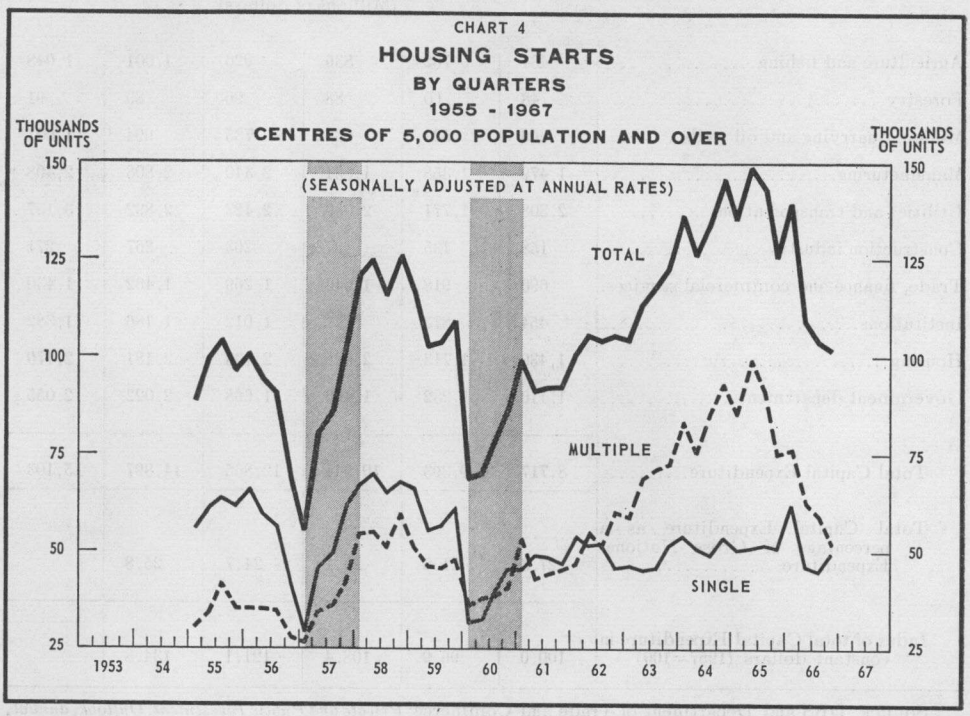
Private and Public Investment

The composition of total investment was altered in 1966 by the continued strength of the business investment boom, while housing construction showed weakness. Business investment increased its share from 61.7 to 63.0 per cent of



total investment, while the housing share decreased from 16.6 to 14.6 per cent. The share of government departments and institutions in the total investment programme rose slightly, from 21.7 to 22.4 per cent.

The slowdown in housing starts began to develop toward the end of 1965. During 1966, a growing shortage of funds flowing into the residential mortgage market was followed shortly by a downturn in actual housebuilding activity, particularly apartments financed from conventional sources. Apartment starts in 1966 were about one-third lower than they had been in 1965. On the other



hand, direct lending by CMHC helped to maintain the level of other residential starts, which numbered about 75,000 in all areas in 1966, little changed from the previous year. Total starts in 1966 numbered 135,000, about 20 per cent below the 1965 total of 167,000 starts. Completions numbered 162,000 units and the average value of work put in place was about equal to that of 1965.

At the same time, business capital formation was reaching boom proportions and this led to fiscal and monetary restraints designed to moderate the expansion, as noted above. These restraints reinforced developments in financial markets, and helped to moderate the growth in demand to a rate more in keeping with that of the available physical capacity. Despite attempts by businesses to increase their capital spending even more rapidly, as evidenced by the mid-1966 survey of business intentions, the actual quarterly record showed some levelling off in the second half of the year. Final confirmation of this change in actual

and intended investment was given by the recent outlook survey, and details of business investment expenditures are presented in table 1 and reference table 5.

TABLE 1

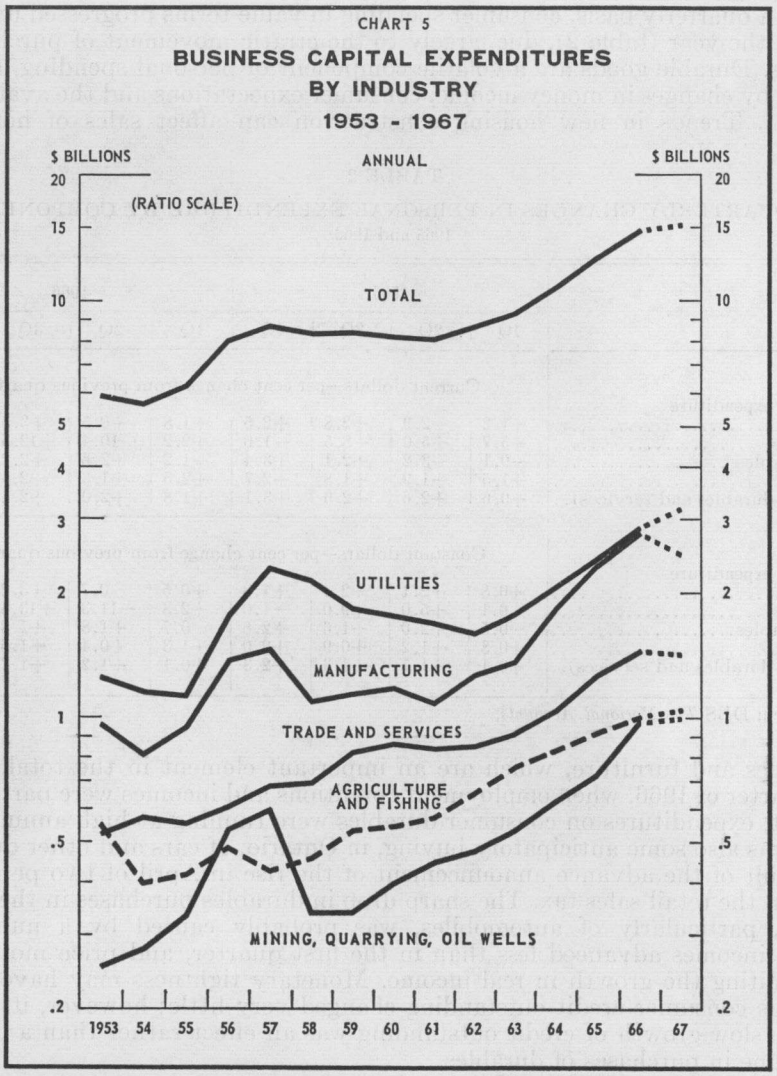
PRIVATE AND PUBLIC CAPITAL EXPENDITURE

	1957	1963	1964	1965	1966	1967
	(Millions of dollars)					
Agriculture and fishing	434	762	836	926	1,001	1,048
Forestry	48	60	88	96	89	91
Mining, quarrying and oil wells	606	521	632	735	994	1,001
Manufacturing	1,479	1,358	1,831	2,340	2,803	2,498
Utilities and transportation	2,308	1,771	2,059	2,423	2,892	3,157
Construction industry	158	135	197	263	267	271
Trade, finance and commercial services	690	918	1,042	1,269	1,462	1,430
Institutions	454	873	771	1,012	1,186	1,382
Housing	1,430	1,713	2,028	2,133	2,181	2,170
Government departments	1,110	1,282	1,460	1,668	2,022	2,055
Total Capital Expenditure	8,717	9,393	10,944	12,865	14,897	15,103
Total Capital Expenditure as a percentage of Gross National Expenditure	27.3	21.6	23.1	24.7	25.8	
Index of total Capital Expenditure in constant dollars (1957=100)	100.0	96.9	108.4	121.1	134.8	

SOURCE: DBS and Department of Trade and Commerce: *Private and Public Investment, Outlook, annual.*

Social capital formation by government departments and institutions continued at a high rate in 1966, rising by 19 per cent over the previous year. The forecast for 1967 indicates a much smaller rate of increase, in the neighbourhood of 4 per cent over 1966. While construction of schools, hospitals and universities is increasing at a substantial rate, capital outlays by government departments for such items as highways, buildings and engineering construction are expected to remain unchanged from their 1966 levels.

Total private and public investment has been rising sharply throughout the past three years. In 1966, total investment reached a level of 25.8 per cent of GNP, fractionally below the previous peak level of 27.3 per cent of GNP in 1957, as shown in reference table 6. The recently-published investment outlook survey indicated an increase of less than 1½ per cent in total investment in the year 1967; the absolute level will account for about 24½ per cent of GNP compared with the post-war average of 23½ per cent.



Personal Expenditure

Consumer expenditures in 1966 rose even more rapidly than in 1965. However, consumer prices also rose considerably, and in real terms the 1966 increase in personal consumption, although substantial, was less than that in 1964 or 1965. This development reflected in a particularly striking manner the pressure of total demand that emerged in the early months of the year. Consumers, governments and business enterprises together attempted to increase their total final purchases beyond the capacity of the economy to meet these demands in the short term. This led to an increase in prices. Accordingly, the increase in real personal consumption was effectively limited to the physical amount of consumer goods and services the economy could make available.

On a quarterly basis, consumer spending in value terms progressed unevenly through the year (table 2), due largely to the erratic movement of purchases of durables. Durable goods are a volatile component of personal spending, and are affected by changes in money income, consumer expectations and the availability of credit. Trends in new housing construction can affect sales of household

TABLE 2

QUARTERLY CHANGES IN PERSONAL EXPENDITURE BY COMPONENTS
1965 and 1966

	1965				1966			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	Current dollars—per cent change from previous quarter							
Consumer expenditure								
total	+1.2	+2.9	+2.8	+2.5	+1.8	+0.5	+3.5	+1.9
durables	+5.7	+5.0	+8.5	−1.0	+2.2	−10.4	+12.5	−0.9
non-durables	−0.1	+3.2	+2.1	+3.4	+1.2	+2.6	+2.2	−2.4
services	+1.5	+1.9	+1.8	+2.7	+2.5	+1.3	+2.5	+2.2
(total non-durables and services)	+0.6	+2.6	+2.0	+3.1	+1.8	+2.0	+2.4	+2.3
	Constant dollars—per cent change from previous quarter							
Consumer expenditure								
total	+0.8	+2.1	+2.4	+1.8	+0.5	−0.7	+3.2	+1.0
durables	+6.1	+5.0	+9.0	−1.0	+2.8	−11.3	+13.4	−2.3
non-durables	−0.5	+2.0	+1.6	+2.6	−0.7	+1.8	+1.8	+1.9
services	+0.8	+1.2	+0.9	+2.0	+1.3	+0.4	+1.6	+1.2
(total non-durables and services)	+0.1	+1.7	+1.3	+2.3	+0.1	+1.2	+1.7	+1.6

SOURCE: DBS *The National Accounts.*

appliances and furniture, which are an important element in the total. In the first quarter of 1966, when employment conditions and incomes were particularly buoyant, expenditures on consumer durables were running at high annual rates. There was also some anticipatory buying, in Ontario, of cars and other durables, as a result of the advance announcement of the rise in April of two percentage points in the retail sales tax. The sharp drop in durables purchases in the second quarter, particularly of automobiles, was probably caused by a number of factors: incomes advanced less than in the first quarter, and price movements were limiting the growth in real income. Monetary tightness may have been a factor, as consumer credit outstanding changed very little; however, it may be that the slow growth of credit outstanding was an effect rather than a cause of the decline in purchases of durables.

The very strong advance in automobile sales in the third quarter was accounted for in large part by the price reductions which occurred at that time. These reductions were a reflection of the heavy inventories remaining unsold at the model changeover. Automobile sales remained at this level in the fourth quarter also, as credit became more readily available. Sales of furniture and home appliances were also little changed, possibly reflecting the decline in completions of new houses towards the end of the year.

Non-durable goods and services expenditures continued their customary advance through the year. Taken together, current dollar outlays on these two components have been advancing at an average of something over 2 per cent in each quarter since early 1965. However, the pace of advance speeded up in the fourth quarter of 1965 and showed a tendency to slow down in the first of 1966.

This development probably reflected the acceleration in prices of non-durables which occurred in late 1965 and on into 1966, which would have resulted, initially, in higher current dollar outlays as consumers maintained their customary volume of purchases. There was subsequently some organized consumer resistance to the higher prices. Price developments are discussed in greater detail below.

Movement of Inventories

Business inventory investment remained relatively high through 1966. As shown in table 3, there was a particularly strong gain in inventories in the second quarter. Accumulation of inventories continued in the second half of the year, but at a slower rate.

TABLE 3

CHANGE IN NON-FARM BUSINESS INVENTORIES

(Seasonally adjusted at annual rates)

	1966			
	1Q	2Q	3Q	4Q
	(Millions of dollars)			
Manufacturing	508	500	420	556
Durables	468	348	200	316
Non-durables	40	152	220	240
Wholesale trade	−68	416	76	76
Retail trade	284	412	76	−160
Other industries	68	64	−8	108
Total	792	1,392	564	580

SOURCE: DBS *The National Accounts.*

The second quarter advance was associated with the decline in retail sales, particularly of durables, which occurred at that time. The decline in the rate of inventory investment in the third quarter was largely concentrated in retail and wholesale stocks as sales recovered. Automobile stocks played a large part in these movements.

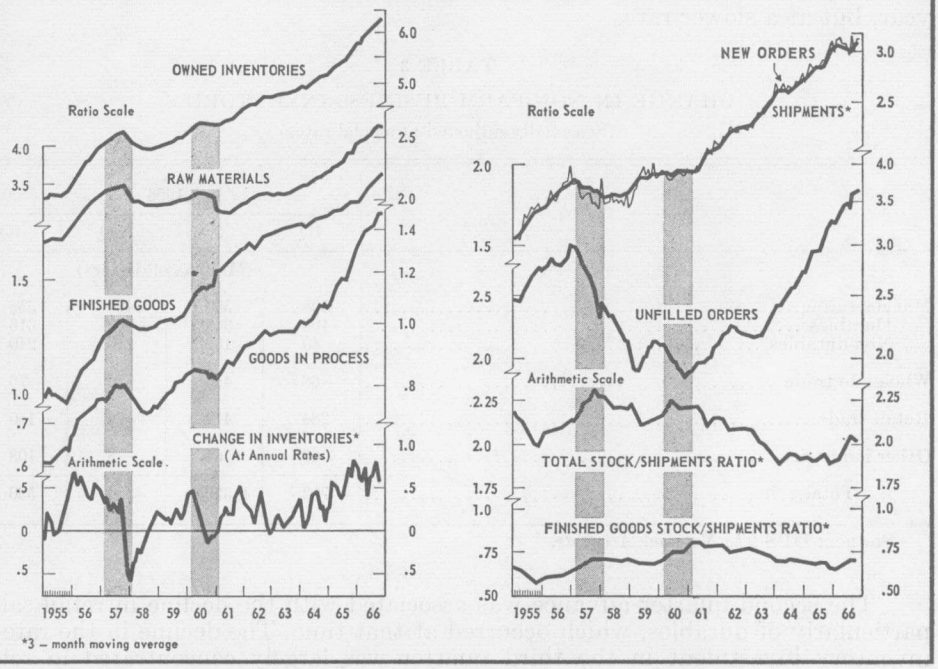
Changes in the rate of inventory accumulation, which constitute a current addition to total demand, can also serve as an indicator of current or developing trends in demand. To examine this aspect of inventory movements it is useful to distinguish between movements in the stock of raw materials, of goods-in-process and of finished goods. Inventory changes on this basis in 1965 and 1966 are summarized in reference table 7, while Chart 6 illustrates the movements in the different components of manufacturers' inventories, and shows clearly the cyclical nature of these movements.

Movements in stocks of raw materials are likely to reflect business expectations about demand and price trends. Movements in the stock of goods in process tend to reflect changes in current production. Increases in finished goods held in stock by manufacturers might reflect strong expectations at a period when productive capacity can accommodate an increase both in shipments and in stocks. This is typical of the early stages of an expansion. Movements in finished goods held can also reflect unexpected changes in demand. An involuntary

accumulation of inventories of finished goods is normally followed by cut-backs in production to reduce the excess inventories. The duration and size of such inventory adjustment has important consequences for production and employment.

CHART 6

MANUFACTURERS' INVENTORIES, SHIPMENTS AND ORDERS
1955 - 1966
SEASONALLY ADJUSTED
MONTHLY – BILLIONS OF DOLLARS



*3 – month moving average

Some inventory accumulation in 1966 occurred, as noted above, as a result of developments in final markets, and some modest adjustments took place in the third and fourth quarters. Thus, the quarterly movements in the different categories of inventories, together with the changes in shipments and in unfilled orders, shown in reference table 7, give some additional indication of the conditions of demand and supply prevailing. Stock-sales ratios have increased, but are not currently excessive. Any remaining adjustments to the more moderate rate of increase of final demand should therefore be of modest proportions.

The inventory situation in Canada is thus more favourable than that in the United States, where the increase in non-farm business inventories remained high to the end of the year. In the United States, durable goods accounted for the major part of the increase, but there was also a sharp year-end rise in inventories of non-durable goods. Inventory-sales ratios during the latter half of 1966 were exceptionally high, reflecting a slowdown in manufacturing and trade sales, and it is expected that both manufacturers and the trade sector will attempt to achieve a more acceptable inventory-sales ratio by mid-year.

Exports of Goods and Services

The growth of 15.3 per cent in exports of goods and services[1] in 1966 was well over twice the 1965 rate of less than 7 per cent, and nearly as great as the advance recorded in 1964. The improvement was due entirely to the rapid growth in commodity exports, which rose by 17.4 per cent. As in 1964, a large part of the increase was accounted for by shipments of wheat and wheat flour. Wheat exports under long-term contracts raised total sales to China by 75 per cent, and to the U.S.S.R. nearly 65 per cent. Purchases by other East European countries declined, but this was more than offset by shipments to India under the bilateral food aid programme.

Another factor contributing to the substantial increase in exports was a further large expansion of trade under the Canada-U.S. automotive agreement. The goal of this agreement, to rationalize the production of automobiles in the United States and Canada, and to reduce real costs of production, has involved substantial increases in two-way trade in automotive products between the two countries. Exports in this category were at nearly 3 times the 1965 level, despite a considerable slow-down in the demand for automobiles in the United States during the second half of the year. Moreover, imports of motor vehicles and parts rose less rapidly than exports, so that there was a significant reduction in the net trade deficit for this group of commodities.

Increases in trade in wheat and motor vehicles and parts, which accounted for over half of the increase in exports in 1966, were in part unrelated to the cyclical expansion. The greater part of wheat shipments is governed by long-term contracts, while trade under the automotive agreement is to a large extent a consequence of measures designed to rationalize the industry. Changes in the export figures for these two commodity groups therefore do not reflect, to the same degree as other commodities, broad cyclical developments in external demand, domestic competition for resources, or Canada's relative success in world markets.

When all due allowance has been made for the automotive agreement and the wheat sales, however, there was still a substantial increase in Canadian exports in 1966. Outside these two fields, the growth in the value of exports was better than 9 per cent. A relatively large increase in export prices contributed to this rise in earnings; but such was the pull of demand in foreign markets, and especially of defence demand in the United States, that export volume, apart from wheat and automobiles, rose by more than 5 per cent despite the higher prices. Although Canadian exports are in general of a kind and quantity which the domestic economy would not absorb in the absence of foreign demand, their production calls upon real domestic resources and contributes to domestic money incomes. Since levels of domestic demand were already high, the strength of foreign demand reinforced the pressures on Canadian productive resources, at least in the early months of 1966.

Exports of chemicals, fertilizers and other manufactured products continued to show higher than average rates of gain. Despite some easing in economic activity in the U.S.A. during the latter part of the year, total U.S. imports from all countries rose more rapidly than in 1965. The expanded demand for basic

---

(1)Preliminary estimate on a balance of payments basis, which includes receipts of inheritances and immigrants' funds; on a national accounts basis, excluding such funds, the increase in exports of goods and services in 1966 was slightly smaller, at 15.2 per cent.

materials was reflected in increased shipments of Canadian petroleum, newsprint, wood pulp and non-ferrous metals. The economic recovery in Japan and Italy in 1966 led to higher Canadian exports to those countries. France, too, experienced an economic upswing and a consequent rise in total imports, but Canadian shipments, which are a small part of the French market, showed a small fall.

TABLE 4

COMPOSITION AND DESTINATION OF DOMESTIC MERCHANDISE EXPORTS BY MAJOR COMMODITY GROUPS AND MARKETS 1962 and 1966

	1962		1966		Per cent change 1962 to 1966
	Millions of dollars	%	Millions of dollars	%	
Wheat and wheat flour	659	10.7	1,144	11.4	+73.5
Other farm and fish products	637	10.3	915	9.1	+43.6
Forest products	1,697	27.5	2,232	22.2	+31.5
Metals, minerals and products	2,105	34.1	3,020	30.0	+43.5
Chemicals and fertilizers	251	4.1	385	3.8	+53.4
Motor vehicles and parts	57	.9	994	9.9	+1,643.3
Other manufactured and miscellaneous products	772	12.5	1,382	13.7	+78.9
Total domestic exports	6,178	100.0	10,071	100.0	+63.0
of which to: U.S.A.	3,608	58.4	6,028	59.9	+67.1
U.K.	909	14.7	1,123	11.1	+23.4
E.E.C.	455	7.4	637	6.3	+40.0
Japan	215	3.5	394	3.9	+83.3
CPE's[1]	197	3.2	583	5.8	+195.9
Other	794	12.9	1,306	13.0	+64.4

Trade of Canada basis

[1] Centrally planned economies, including U.S.S.R., other Eastern Europe and Mainland China.

The slowing-down in the German economy reduced the demand there for Canadian commodities. Canadian exports to the European Economic Community as a whole rose at about 2 per cent.

Exports to the U.K. declined for the second consecutive year, in part reflecting the British Government's policies in support of the balance of payments. Similarly, Canadian exports to Australia and South Africa were reduced by the effects of stabilization policies implemented in those countries. Lower exports to South America as a whole were largely a reflection of lower sales to Venezuela, the main Canadian market.

The improvement in the performance of Canadian exports in 1966 was, therefore, centred largely on the higher rate of shipments of wheat and motor vehicles and parts, and on the higher level of demand in the U.S.A. and Japan.

Receipts on non-merchandise transactions rose by 8.6 per cent, a little faster than in 1965. There was a continued decline in gold production available for export, and lower receipts of dividends from abroad; but receipts of interest were raised by the resumption of servicing on the postwar loan to the United Kingdom, receipts on the travel and the freight and shipping accounts continued to grow steadily, and there were particularly marked increases in respect of inward flows of inheritances and immigrants' funds and receipts from "all other" current transactions, the latter reflecting in large part the disbursements by foreign governments for their pavilions at Expo '67.

Government Expenditures

In the sixth year of cyclical expansion, government outlays on goods and services rose by 16.4 per cent to a level of $11.2 billion. This was the largest year-to-year increase recorded in this component of demand since the beginning of the Korean War, when expenditures on defence accelerated sharply.

TABLE 5

EXPENDITURES ON GOODS AND SERVICES BY LEVEL OF GOVERNMENT

	Federal		Provincial	Municipal	Total	Federal		Provincial	Municipal	Total
	Defence	Non-defence				Defence	Non-defence			
	(millions of dollars)					(per cent change over preceding year)				
1961...	1,613	1,369	1,467	2,787	7,236	4.3	15.6	–	8.3	6.9
1962...	1,680	1,345	1,563	3,129	7,717	4.2	1.8	6.5	12.3	6.6
1963...	1,572	1,362	1,725	3,416	8,075	−6.4	1.3	10.4	9.2	4.6
1964...	1,584	1,462	1,929	3,679	8,654	0.8	7.3	11.8	7.7	7.2
1965...	1,562	1,705	2,234	4,095	9,596	−1.4	16.6	15.8	11.3	10.9
1966...	1,713	2,167	2,729	4,560	11,169	9.7	27.1	22.2	11.4	16.4

As indicated in this table, year-to-year increases in total purchases of goods and services by all governments combined over the period 1961 to 1966 ranged between 5 and 16 per cent, although considerable variation occurred as between the different levels of government. Municipal spending, for example, averaged a steady increase of close to 10 per cent per annum for this period, but provincial expenditures accelerated sharply from an annual increase of 6.5 per cent in 1962 to 22 per cent in 1966. This reflected higher capital expenditures as well as current purchases associated with health, education and other community services, and was further affected by rising wage and salary rates.

At the federal level, total outlays on goods and services show little annual change from 1961 to 1964. Since 1964, however, the non-defence component has risen sharply as the increased demands for government services had to be met at higher market prices.

That part of goods and services outlays classified as capital expenditures rose in 1966 by 21 per cent in the government sector as a whole. The major increases took place at the provincial and municipal levels, for streets, roads, highways and schools.

PROBLEMS OF SUPPLY

Manpower Developments

The Canadian labour force grew by a record amount in 1966, and far more rapidly than that of other countries. The number of people in the labour force rose by a remarkable 3.9 per cent over the 1965 average, while the continued growth in job opportunities led to an even larger increase in employment of 4.2 per cent. Accordingly, the average 1966 unemployment rate fell to 3.6 per cent from 3.9 per cent in 1965.

TABLE 6

LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT, CANADA

1959 to 1966

	1959	1960	1961	1962	1963	1964	1965	1966
	(Thousands of persons)							
Labour force	6,242	6,411	6,521	6,615	6,748	6,933	7,141	7,420
Employed	5,870	5,965	6,055	6,225	6,375	6,609	6,862	7,152
Unemployed	372	446	466	390	374	324	280	267
	Year to year change (Per cent)							
Labour force	..	2.7	1.7	1.4	2.0	2.7	3.0	3.9
Employed	..	1.6	1.5	2.8	2.4	3.7	3.8	4.2
	Average of monthly rates (Per cent)							
Unemployment rate[1]	6.0	7.0	7.1	5.9	5.5	4.7	3.9	3.6

[1] Unemployed as a per cent of the labour force.

SOURCE: DBS *The Labour Force*, Cat. 71-001.

A significant rise in participation rates, further growth in the population of working age, and higher immigration all contributed to the increase in the working population. In addition, there was a further substantial movement of farm workers into non-farm occupations, as the non-agricultural labour force increased by 5.0 per cent, and non-agricultural employment rose by 5.4 per cent. These movements are shown in some detail in reference tables 8 and 9.

The striking rise in participation rates last year was one of the most important indications of growing pressure on resources. As table 7 shows, the slow but steady, long-term downward drift of labour force participation by men

TABLE 7

PARTICIPATION RATES

1960 to 1966

—	1960	1961	1962	1963	1964	1965	1966
	(Per cent)						
Total labour force participation	54.2	54.1	53.9	53.8	54.1	54.4	55.1
Men	80.7	79.8	79.1	78.5	78.1	77.9	77.8
Women	27.9	28.7	29.0	29.6	30.5	31.3	32.8
Men, 14 to 19 years	42.8	40.3	39.6	39.2	38.3	38.7	38.6
Women, 14 to 19 years	32.6	32.3	30.9	29.9	29.9	30.2	31.4

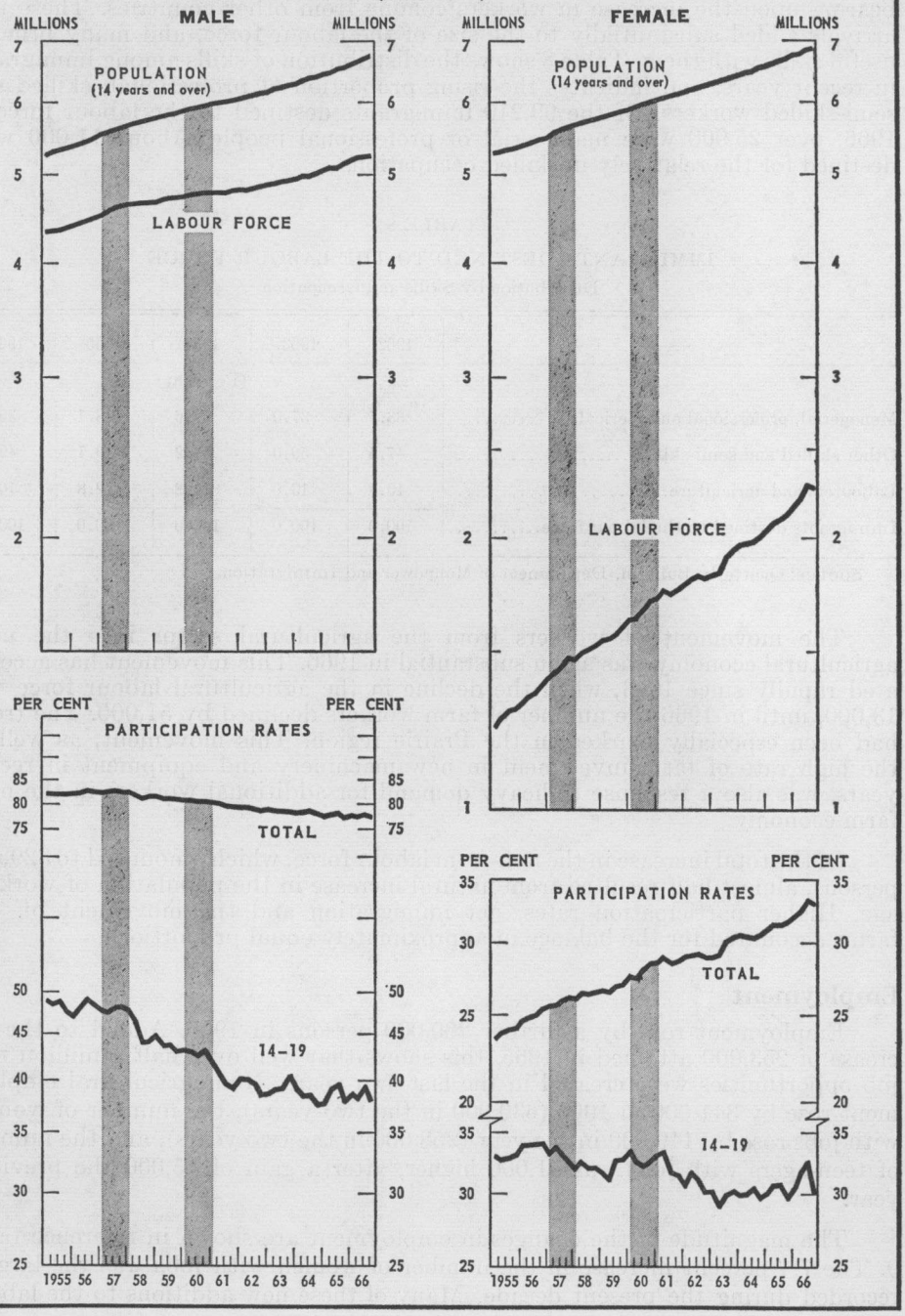
SOURCE: DBS *The Labour Force.*

continued, but the uptrend in the female participation rate, which has been a feature of the Canadian scene since the early 1950's, accelerated markedly in 1966. As a result of these developments, the female labour force rose by 7.3 per cent while the male labour force grew by 2.5 per cent. The impact of participation rate change on labour force growth is illustrated in Chart 7.

CHART 7

POPULATION, LABOUR FORCE AND PARTICIPATION RATES, MALE, FEMALE 1955 - 1966

(RATIO SCALE)



A second important source of additional workers in 1966 was immigration. While a number of different factors bear on immigration, the buoyancy of employment conditions in Canada undoubtedly has an important influence. The generally high level of demand for labour in 1966 had therefore a significant bearing upon the increase in workers coming from other countries. These new arrivals added substantially to the size of the labour force, and many brought useful skills with them. Table 8 shows the distribution of skills among immigrants in recent years, and indicates the rising proportion of professional, skilled and semi-skilled workers. Of the 99,210 immigrants destined to the labour force in 1966, over 25,900 were managerial or professional people. About 11,000 were destined for the relatively unskilled occupations.

TABLE 8

IMMIGRANTS DESTINED TO THE LABOUR FORCE

Distribution by Skills and Occupation

—	1962	1963	1964	1965	1966
	(Per cent)				
Managerial, professional and clerical	38.7	37.0	37.6	38.1	39.5
Other skilled and semi-skilled	47.5	50.0	48.2	49.1	49.7
Labourers and agriculture	13.8	13.0	14.2	12.8	10.8
Immigrants destined to the labour force	100.0	100.0	100.0	100.0	100.0

SOURCE: Quarterly Bulletin, Department of Manpower and Immigration.

The movement of workers from the agricultural sector into the non-agricultural economy was again substantial in 1966. This movement has accelerated rapidly since 1963, when the decline in the agricultural labour force was 13,000, until in 1966 the number of farm workers declined by 51,000. The trend had been especially marked in the Prairie region. This movement, as well as the high rate of farm investment in new machinery and equipment in recent years, was also a response to heavy demand for additional workers in the non-farm economy.

Of the total increase in the non-farm labour force, which amounted to 329,000 persons, almost half resulted from natural increase in the population of working age. Higher participation rates, net immigration and the movement off the farms accounted for the balance in approximately equal proportions.

Employment

Employment rose by a further 290,000 persons in 1966. Added to the increase of 253,000 attained in 1965, this shows that well over half a million new job opportunities were created in the last two years. Non-agricultural employment rose by 341,000 in 1966 (630,000 in the two years), the number of women with jobs rose by 149,000 in the year (258,000 in the two years), and the number of teen-agers with jobs was 41,000 higher, after a gain of 45,000 the previous year.

The magnitude of the changes in employment are shown in reference table 9. The 7.4 percent increase in the number of women with jobs was the largest recorded during the present decade. Many of these new additions to the labour

force were part-time workers who responded to job opportunities. Some part of the increase may also be related to the decline in birth rates during the past few years. The most rapid rise in participation rates has, indeed, occurred among women aged 20 to 24; in 1966, 55.6 per cent of the women in this age-group were in the labour force, compared to 52.6 per cent in 1965. The unemployment rate for this group remains low.

While there was a lower rate of growth in teen-age employment in 1966 than in 1965, this was accompanied by a further decline in the teen-age unemployment rate.

The unemployment rate during the year, on a seasonally-adjusted basis, was lowest during the first quarter, when demand pressures were greatest, and during the closing months of the year was at about the average figure for the year of 3.6 per cent.

Regional Employment Trends

The annual unemployment rate again moved downward in 1966 in all regions with the exception of one. Table 9 shows that in British Columbia the labour force grew by a remarkable 6.6 per cent, while employment grew by an equally remarkable 6.1 per cent—both rates exceeding those of any other region in Canada. As a result, however, the unemployment rate rose slightly. There was an increase in agricultural employment in this region during the year. Also, the economy of the region provided favourable conditions for a continued rapid reduction in teenage unemployment.

The employment situation continued to improve in the Atlantic region and Quebec during 1966, and the unemployment rate continued to fall. Both Ontario and the prairie region started the year with relatively little labour force slack, and continued to experience tight labour supply. In the Atlantic region the average unemployment rate fell to 6.5 per cent, but remained the highest in Canada by a substantial margin (reference table 11). There was a very slight decline in agricultural employment, with all of the increase in employment occurring in non-agricultural occupations. Conditions were relatively favourable for increased employment of young people.

Non-agricultural employment in Quebec rose by 6.3 per cent, the most rapid rate of gain attained in any region. This increase was associated with a decline in farm employment amounting to some 8.6 per cent, and with a rate of increase in total labour force second only to that of British Columbia. The demand for labour was sufficiently strong to reduce the unemployment rate from 5.5 per cent in 1965 to 4.8 per cent in 1966.

In Ontario, both the labour force and total employment rose by 4.0 per cent. There was a further slight decline in agricultural employment. The unemployment rate for the year, at 2.5 per cent, was virtually unchanged from 1965.

The labour force of the prairie region in 1966 again exhibited flexibility and mobility. While the total labour force in this region rose only fractionally, non-agricultural employment advanced by 6.2 per cent and most of these new workers came from the farms. The regional unemployment rate, already low in 1965, fell from 2.6 to 2.1 per cent. There was no sign of slackening in the demand for labour as the year ended.

TABLE 9

LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT BY REGIONS

1965 and 1966

—	1965	1966	Change
	(Thousands of persons)		(Per cent)
Atlantic Region			
Labour Force:			
Total	611	626	2.5
Non-agricultural	577	593	2.8
Employment:			
Total	566	586	3.5
Non-agricultural	533	554	3.9
Age 14–19 years	62	66	6.5
Unemployed	45	40	−11.1
Quebec Region			
Labour Force:			
Total	2,022	2,116	4.6
Non-agricultural	1,903	2,007	5.5
Employment:			
Total	1,912	2,016	5.4
Non-agricultural	1,796	1,910	6.3
Age 14–19 years	204	213	4.4
Unemployed	110	100	−9.1
Ontario Region			
Labour Force:			
Total	2,614	2,719	4.0
Non-agricultural	2,461	2,577	4.7
Employment:			
Total	2,548	2,651	4.0
Non-agricultural	2,397	2,510	4.7
Age 14–19 years	224	237	5.8
Unemployed	66	69	4.5
Prairie Region			
Labour Force:			
Total	1,228	1,248	1.6
Non-agricultural	955	1,007	5.4
Employment:			
Total	1,196	1,222	2.2
Non-agricultural	925	982	6.2
Age 14–19 years	128	132	3.1
Unemployed	32	26	−18.8
British Columbia			
Labour Force:			
Total	666	710	6.6
Non-agricultural	644	684	6.2
Employment:			
Total	639	678	6.1
Non-agricultural	617	652	5.7
Age 14–19 years	55	67	21.8
Unemployed	27	32	18.5

SOURCE: DBS *The Labour Force.*

CHART 8

LABOUR FORCE AND EMPLOYMENT BY REGION, 1961 - 1966

(RATIO SCALE)

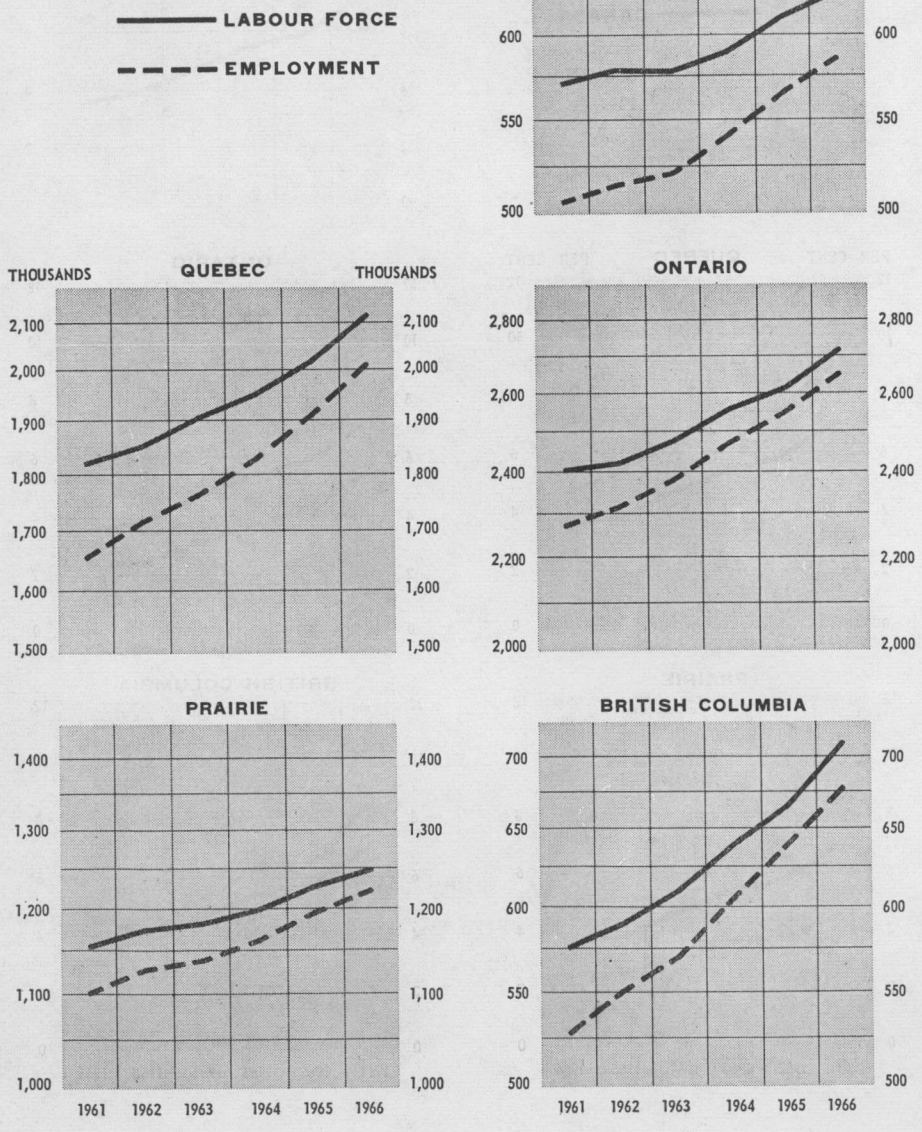
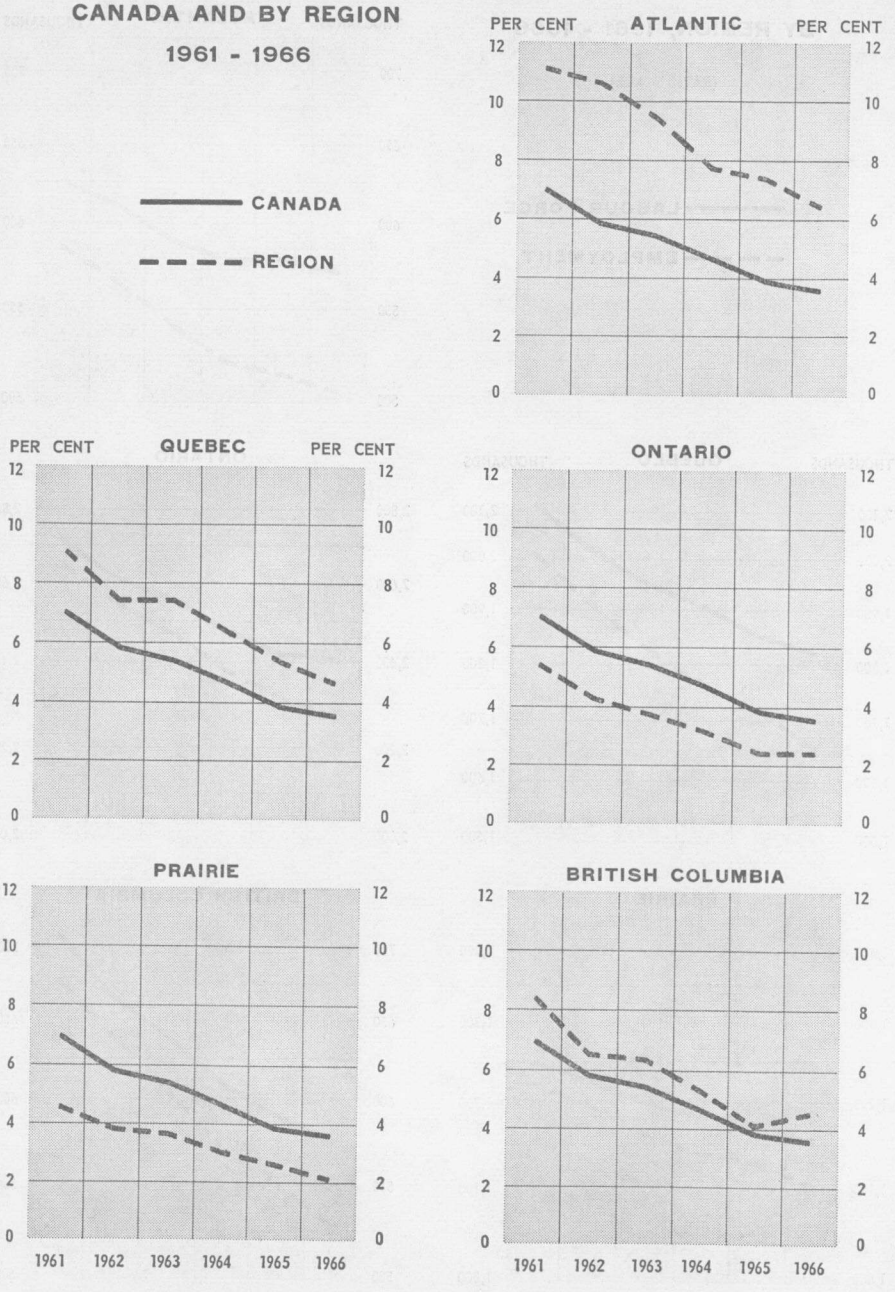


CHART 9

UNEMPLOYMENT RATES, CANADA AND BY REGION 1961 - 1966



Income Developments

Wages, salaries and supplementary labour income, which customarily make up around 70 per cent of net national income, rose by some 12½ per cent in 1966. This was the largest annual gain recorded in the 1961–66 period, and reflected both the further sharp increase in the number of paid workers and generally higher hourly earnings. Weekly hours also were a little longer in some industries (notably construction), adding further to income.

As in 1965, the construction industry recorded the largest increases both in employment and in average earnings per employee, reflecting the continued strong demand for construction skills. Sharply higher earnings attracted more workers into the industry. In manufacturing, the gains were more moderate. Average hourly earnings advanced more sharply in the non-durable goods industries than in the durable goods industries, partly as a result of reduced overtime work in some durable goods industries. In mining, there was a strong advance in average earnings, little change in hours worked and a small increase in employment. In trade and the service industries, very strong gains in employment together with more moderate advances in average earnings appear to relate to the increase in the number of part-time workers engaged in these industries. Average earnings in finance, insurance and real estate rose more rapidly than they did in 1965, while the number of employees rose more moderately.

TABLE 10

LABOUR INCOME AND PROFITS

1962 to 1966

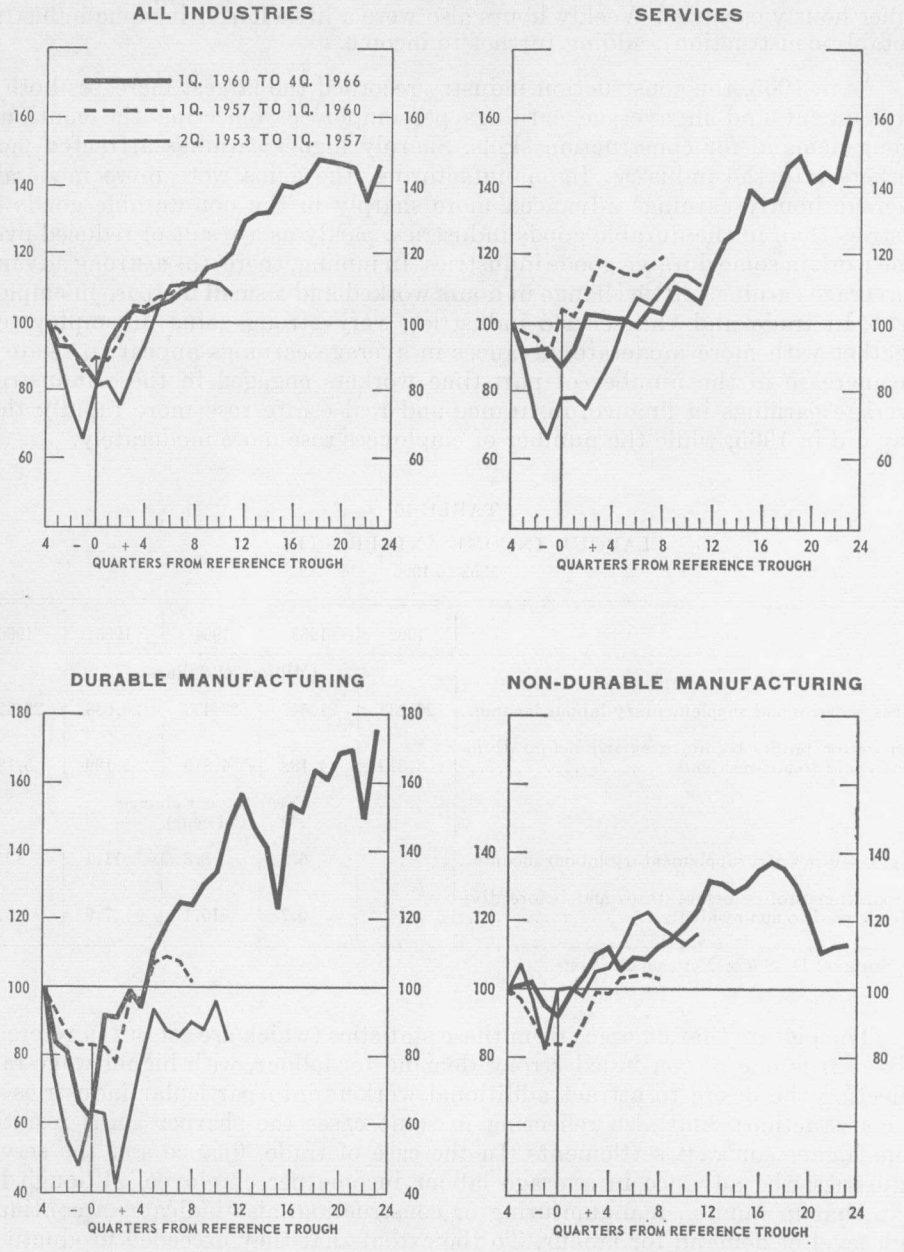
—	1962	1963	1964	1965	1966
	(Millions of dollars)				
Wages, salaries and supplementary labour income..	20,233	21,547	23,433	26,033	29,324
Corporation profits before taxes and before dividends paid to non-residents.....	3,819	4,188	4,819	5,199	5,187
	Year to year change (Per cent)				
Wages, salaries and supplementary labour income..	..	6.5	8.8	11.1	12.6
Corporation profits before taxes and before dividends paid to non-residents.....	..	9.7	15.1	7.9	−0.2

SOURCE: DBS *The National Accounts.*

The picture that emerges from these statistics (which are set out in reference table 12) is one of continued strong demand for labour, with higher wage-rates reflecting the desire to attract additional workers into particular industries (as in construction), and also reflecting in some cases the sharper gains resulting from higher contract settlements. In the case of trade, finance and the service industries, the advance in average labour income per employee, although less than that in mining, manufacturing or construction, also indicates a continued high level of demand for labour. To the extent that they exceeded productivity growth, such wage-rate developments contributed to upward pressure on price levels, or cut into profit margins, or, more commonly, did both.

CHART 10

MOVEMENT OF CORPORATION PROFITS IN THREE POSTWAR EXPANSIONS



Despite increased sales, corporation profits before taxes in 1966 were virtually unchanged from the 1965 total, while net income of non-farm unincorporated business advanced only very slightly. Improvements were recorded in the wood, printing, electrical products, petroleum and chemical products industries, while other industries had mixed experience.

As shown in reference table 13, profits in the non-manufacturing sector remained strong to the end of the year, but profits in the manufacturing industries as a whole reached a peak in the first quarter which was not subsequently passed. A moderate decline in the second quarter was followed by a sharper decline in the third, which was affected by a large number of industrial disputes. There was a marked recovery in the fourth quarter.

Output, Productivity and Production Costs

Real domestic product, excluding agriculture, rose by 6.3 per cent in 1966.[1] This advance, while larger than the average postwar experience, indicated a falling-off from the annual rates of change attained in recent years, as summarized in reference table 14, and reflected the using up of economic slack by the latter part of 1965. The important developments in the pattern of output can be seen in the context of quarterly figures, as presented in table 11. The rate of advance in total product was exceptionally high during the closing months of 1965 and in the first quarter of 1966, after which it showed more moderate gains.

[1] Real domestic product measures the volume of output of goods and services produced in Canada. It differs from GNP in constant dollars in that it excludes interest and dividend receipts from abroad and includes interest and dividend payments to non-residents.

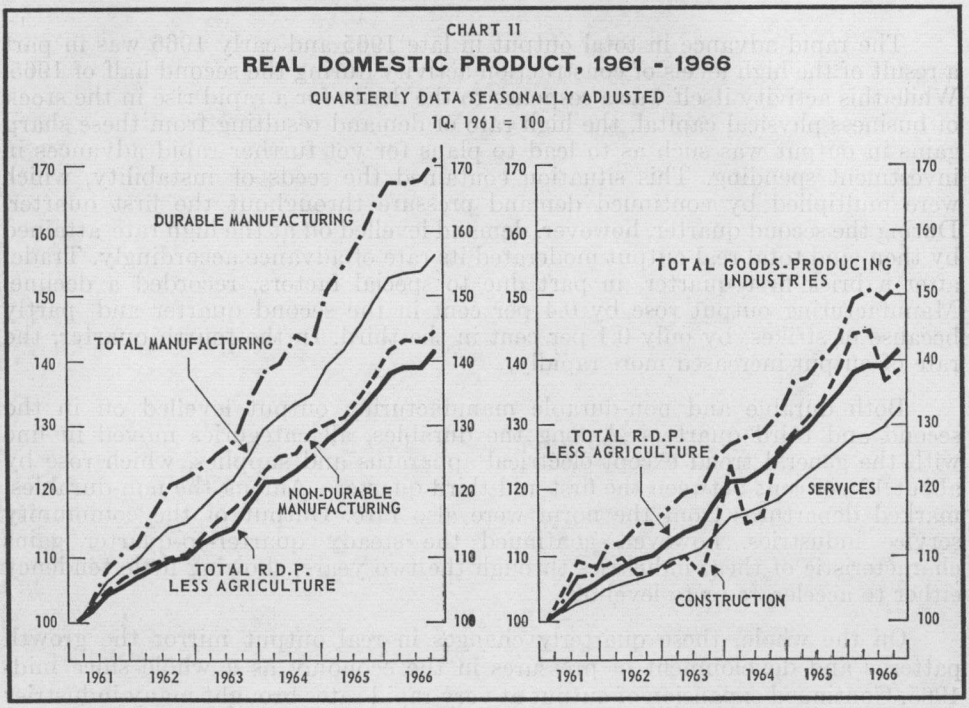


TABLE 11

CHANGES IN REAL DOMESTIC PRODUCT

By quarters

	1965				1966			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Per cent change from previous quarter)							
Real domestic product less agriculture	2.4	1.4	2.0	2.1	2.1	0.7	—	1.9
Mining, total	3.3	−1.0	4.8	0.6	2.2	2.8	−2.7	4.6
Manufacturing, total	3.1	1.6	2.7	2.8	2.4	0.4	0.1	1.5
Non-durables	0.9	0.7	2.7	2.3	2.7	1.1	—	1.2
Durables	5.8	2.5	2.7	3.3	2.2	−0.2	0.3	1.9
Construction	2.4	1.8	2.1	3.6	4.1	0.1	−5.5	1.5
Transportation, storage and communication	1.5	1.7	2.8	2.2	1.5	3.8	−2.0	4.6
Trade, total	3.0	2.3	2.0	2.1	1.8	−2.8	2.6	1.7
Wholesale	6.8	1.1	2.2	3.0	−0.8	−0.5	1.5	2.9
Retail	0.8	3.0	1.9	1.6	3.3	−4.1	3.2	0.9
Finance, insurance and real estate	0.8	1.6	0.9	0.4	2.1	1.0	1.7	1.3
Services	1.0	1.7	1.1	1.2	1.2	0.6	1.3	0.5
Commercial industries less agriculture	2.5	1.5	2.1	2.2	2.3	0.7	−0.2	2.0

SOURCE: DBS *Index of Industrial Production*, monthly, Cat. 61-005.

The rapid advance in total output in late 1965 and early 1966 was in part a result of the high levels of construction activity during the second half of 1965. While this activity itself was a response to the desire for a rapid rise in the stock of business physical capital, the high rate of demand resulting from these sharp gains in output was such as to lead to plans for yet further rapid advances in investment spending. This situation contained the seeds of instability, which were multiplied by continued demand pressure throughout the first quarter. During the second quarter, however, demand levelled off at the high rate attained by then, and total real output moderated its rate of advance accordingly. Trade, after a brisk first quarter, in part due to special factors, recorded a decline. Manufacturing output rose by 0.4 per cent in the second quarter and, partly because of strikes, by only 0.1 per cent in the third. In the fourth quarter, the rate of output increased more rapidly.

Both durable and non-durable manufacturing output levelled off in the second and third quarters. Among the durables, all categories moved in line with the general trend except electrical apparatus and supplies, which rose by about 10 per cent between the first and third quarters. Among the non-durables, marked departures from the norm were also rare. Output of the community service industries, however, continued the steady quarter-to-quarter gains characteristic of these industries through the two years, showing little tendency either to accelerate or to level off.

On the whole, these quarterly changes in real output mirror the growth patterns and development of pressures in the economy as a whole since mid-1965. Continued expansion of output at very rapid rates brought many industries

close to full utilization of capacity in early 1966, and further advances of any magnitude may well not have been possible in many cases. It was probably due to these circumstances that capital investment intentions for the year were revised upward. However, the second-quarter moderation of demand pressures which became evident about mid-year, and the more moderate advances recorded thereafter, eased the pressure on supply resources as the year wore on, giving rise to an atmosphere of more moderate demand pressures by the beginning of 1967.

TABLE 12

CHANGES IN EMPLOYMENT BY INDUSTRIAL DIVISION

By quarters
1965 and 1966

	1965				1966			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Per cent change from previous quarter)							
Mining	2.5	1.8	1.5	0.8	1.1	—	−3.5	2.9
Manufacturing, total	1.6	1.0	1.6	2.3	1.6	0.7	0.3	1.0
Non-durables	0.9	0.7	1.2	1.0	1.5	0.6	—	1.1
Durables	2.3	1.4	1.8	3.8	1.8	0.7	0.7	1.0
Construction	4.5	0.4	1.4	8.7	4.8	−1.0	−3.5	4.4
Transportation, storage and communication	1.6	−0.2	0.7	0.7	1.0	0.9	0.1	0.9
Trade, total	1.7	1.8	0.8	1.2	3.2	2.4	−0.1	0.1
Wholesale	1.4	1.6	1.0	1.8	2.7	1.3	−0.3	0.9
Retail	2.1	1.6	0.6	1.3	3.6	2.6	—	−0.2
Finance, insurance and real estate	1.3	1.3	0.9	0.3	0.7	1.3	1.0	0.2
Services	2.4	2.5	1.5	3.2	3.6	1.5	1.7	3.3
Industrial Composite	2.0	1.2	1.1	1.9	2.1	1.3	−0.4	1.2

SOURCE: DBS *Employment, Average Weekly Wages and Salaries.*

The employment picture associated with these developments, already examined in terms of total labour force and employment, was one of sustained demand in early 1966 and of diminishing strain in later months. Detail of employment by industry, while not currently available in the form of direct estimates of totals, may be approximated by reference to the employment indexes based on reports from firms employing 20 persons or more (published by DBS in *Employment, Average Weekly Wages and Salaries,* catalogue number 72–002)[1]. Changes in employment on this basis are summarized in reference table 15, on an annual basis, and in table 12 by quarters.

These tables reflect the pattern indicated by the trend in output. They show that, on an annual basis, 1966 employment rose at the same rate as in 1965. (It may be recalled that *total* employment rose more rapidly in 1966. However, the difference is attributable to the fact that many new entrants may have worked only very short hours, perhaps 8 to 10 hours a week, or they may have

[1]One important qualification to this analysis resides in the fact that the employment indexes are based on the 1960 standard industrial classification, while the output indexes still use the 1948 SIC. However, over a short period the trends revealed by use of the two series in juxtaposition should not be misleading.

taken jobs in small establishments. Many may have been self-employed. People with these characteristics are included in *The Labour Force* employed total, but are generally excluded from the indexes.) On a quarterly basis, however, the expansion in employment was greatest in the two quarters, fourth quarter 1965 and first quarter 1966, when output was under greatest pressure. Manufacturing employment as a whole reflected the trend strongly, as did the durables sector. Construction employment recorded the largest quarterly changes, but the trade and service industries also moved substantially, and with some lag into the second quarter. The third quarter 1966 pattern in employment in large establishments was generally one of decline or relatively small advance; only the community services and the financial sector showed any tendency to sustained advance, and that at fairly low rates.

TABLE 13

CHANGES IN OUTPUT PER EMPLOYEE

By quarters
1965 and 1966

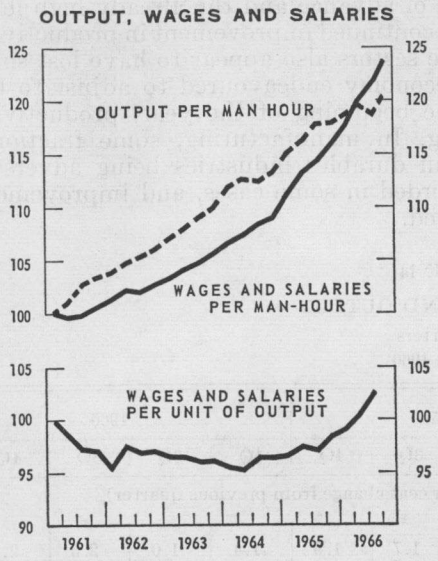
	1965				1966			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Per cent change from previous quarter)							
Mining	0.8	−2.8	3.3	−0.2	1.1	2.8	0.8	1.7
Manufacturing	1.5	0.6	1.1	0.5	0.8	−0.3	−0.2	0.5
Non-durables	—	—	1.5	1.3	1.2	0.5	—	0.1
Durables	3.4	1.1	0.9	−0.5	0.4	−0.9	−0.4	0.9
Construction	−2.0	1.4	0.7	−4.7	−0.7	1.1	−2.1	−2.8
Transportation, storage and communication	−0.1	1.9	2.1	1.5	0.5	2.9	−2.1	3.7
Trade, total	1.3	0.5	1.2	0.9	−1.4	−5.1	2.7	1.6
Wholesale	5.3	−0.5	1.2	1.2	−3.4	−1.8	1.8	2.0
Retail	−1.3	1.4	1.3	0.3	−0.3	−6.5	3.2	1.1
Finance, insurance and real estate	−0.5	0.3	—	0.1	1.4	−0.3	0.7	1.1
Services	−1.4	−0.8	−0.4	−1.9	−2.3	−0.9	−0.4	−2.7
Commercial industries less agriculture	0.5	0.3	1.0	0.3	0.2	−0.6	0.2	0.8

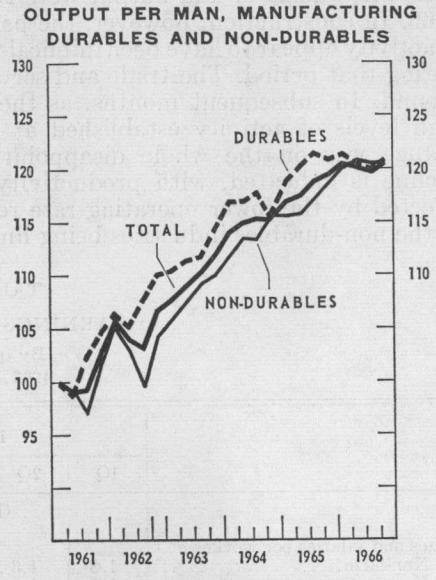
SOURCE: Tables 11 and 12.

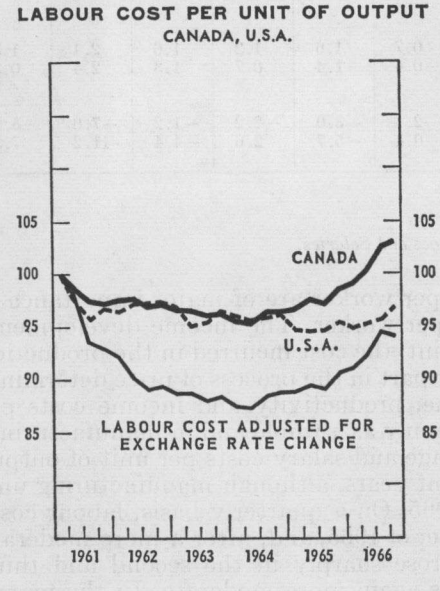
Changes in real output per worker, by industry, on the basis of the indexes used above, are summarized in reference table 16 and table 13. These tables indicate a progressive decline in the annual improvement of productivity per worker from the year 1964. Such a trend would be in keeping with the labour force developments discussed earlier, notably the marked increase in the number of young people and housewives in employment. The productivity of these new workers, being low during their earlier months of employment, brings down the average; moreover, many work less than a full week but more than only a few hours. In some industries, some hoarding of skilled labour may have been a factor. Also, a proportionately large share of the total increase in employment entered industries where productivity per worker is relatively low. These developments could reasonably be expected to have restricted productivity growth on a per-worker basis.

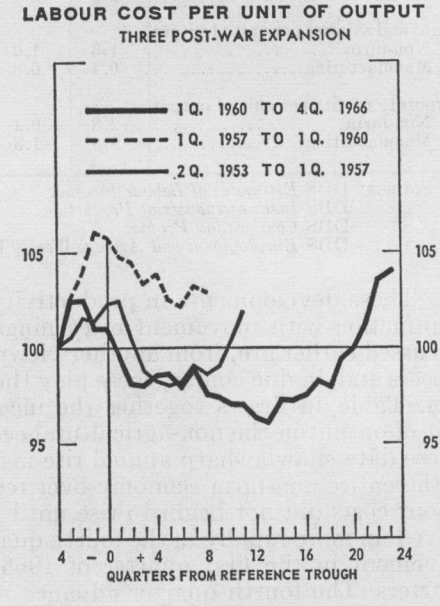
CHART 12

LABOUR COSTS AND PRODUCTIVITY IN MANUFACTURING 1961 - 1966









Quarterly changes in productivity are shown in table 13. These data are preliminary and any conclusions need to be regarded as indicative of broad trends rather than precise measurements. This table suggests that the manufacturing sector managed to maintain a degree of productivity improvement even when demand and output were rising most rapidly in late 1965 and early 1966. In construction, however, the pace of advance and the already high level of activity appear to have been inimical to continued improvement in productivity during that period. The trade and service sectors also appear to have lost some ground. In subsequent months, as the economy endeavoured to adjust to the high levels of activity established at the beginning of the year, productivity change was on the whole disappointing. In manufacturing, some fractional decline is indicated, with productivity in durables industries being adversely affected by the lower operating rate recorded in some cases, and improvement in the non-durables industries being limited.

TABLE 14

EARNINGS AND OUTPUT

By quarters
1965 and 1966

—	1965				1966			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Per cent change from previous quarter)							
Wages and salaries per worker								
Non-farm	1.8	1.3	1.7	1.9	1.4	1.0	2.3	2.1
Manufacturing	1.9	1.4	0.7	1.9	1.5	1.0	2.2	0.8
Output per worker								
Non-farm	0.5	0.3	1.0	0.3	0.6	−0.6	0.2	0.8
Manufacturing	1.5	0.6	1.1	0.5	0.8	−0.3	−0.2	0.5
Wages and salaries per unit of output								
Non-farm	1.3	1.0	0.7	1.6	1.2	1.6	2.1	1.3
Manufacturing	0.4	0.8	−0.4	1.4	0.7	1.3	2.4	0.3
Corporate profits per unit of output								
Non-farm	−2.8	−0.1	2.4	−3.0	−2.2	−1.2	−7.0	5.9
Manufacturing	8.8	−1.3	0.4	−5.7	2.6	−4.4	−11.2	7.5

SOURCE: DBS *Estimates of Labour Income.*
DBS *Index of Industrial Production.*
DBS *Corporation Profits.*
DBS *Employment and Average Weekly Wages and Salaries.*

These developments in productivity per worker are of major importance in conjunction with movement of earnings per worker. The income developments discussed earlier are, from another viewpoint, the cost incurred in the production process and, in due course, these play their part in the process of price determination. Table 14 draws together the income, productivity and income costs per unit of output in the non-agricultural economy as a whole and in manufacturing. These data show a sharp annual rise in wage and salary costs per unit of output in the entire non-farm economy over recent years, although manufacturing unit labour costs did not begin to rise until 1965. On a quarterly basis, labour costs moved up more rapidly in the fourth quarter of 1965, and, after a more moderate movement in the first quarter of 1966, rose sharply in the second and third quarters. The fourth quarter advance was again more moderate. In the manufacturing sector, as illustrated in Chart 12, the quarterly increases were below those for the entire non-farm economy throughout 1965. More modest gains in

CHART 13

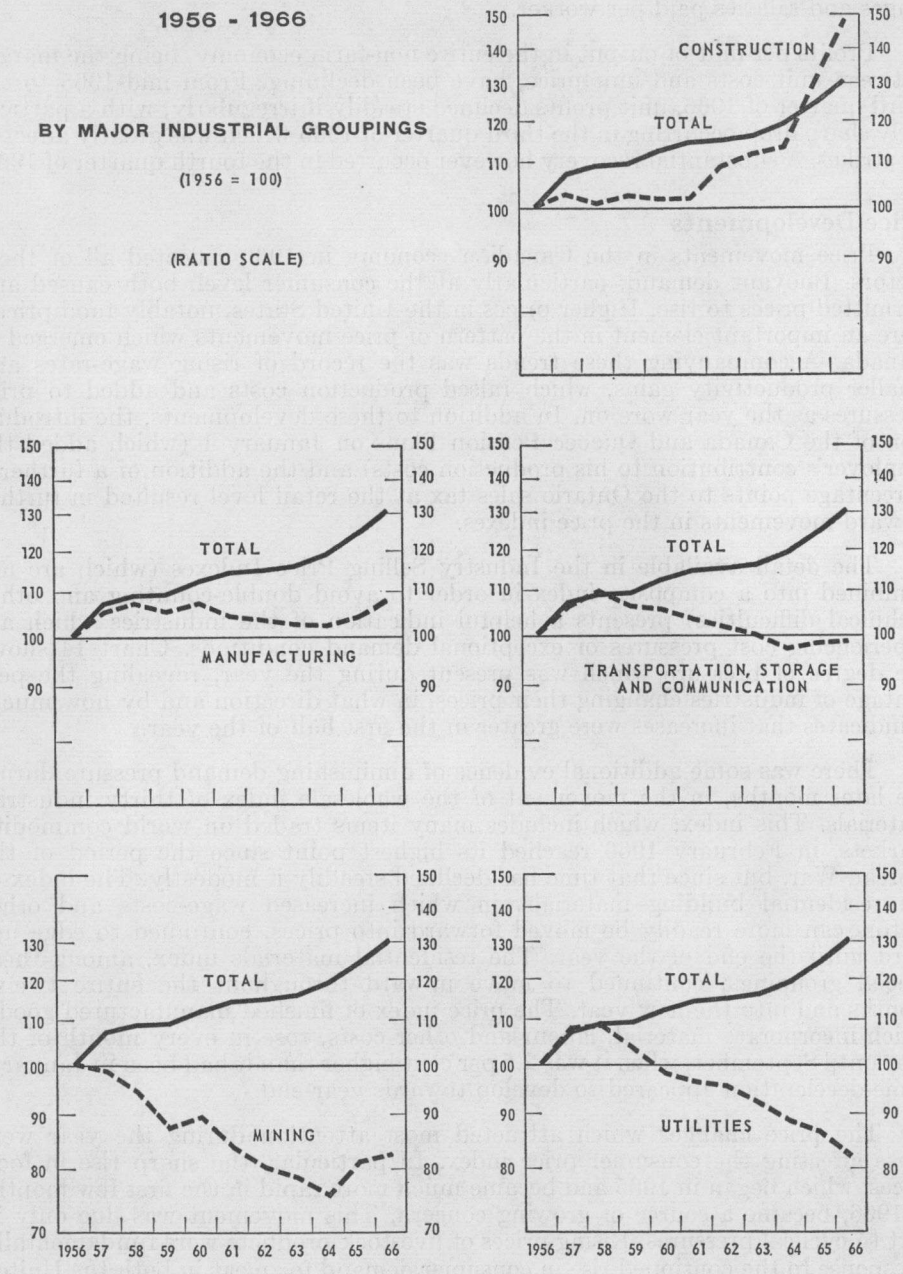
WAGE COSTS PER UNIT OF OUTPUT

1956 - 1966

BY MAJOR INDUSTRIAL GROUPINGS

(1956 = 100)

(RATIO SCALE)



the first two quarters of 1966 were followed by a sharp increase in the third quarter, but there was little change in the fourth. The rise in unit wage costs was thus on average more rapid in the latter part of the year, partly reflecting the less favourable productivity trends of the period and partly the sharp rise in wages and salaries paid per worker.

Profits per unit of output in the entire non-farm economy, being the margin between unit costs and unit price, have been declining. From mid-1965 to the third quarter of 1966, unit profits declined steadily if irregularly, with a particularly sharp drop occurring in the third quarter of 1966 which was greatly affected by strikes. A substantial recovery however occurred in the fourth quarter of 1966.

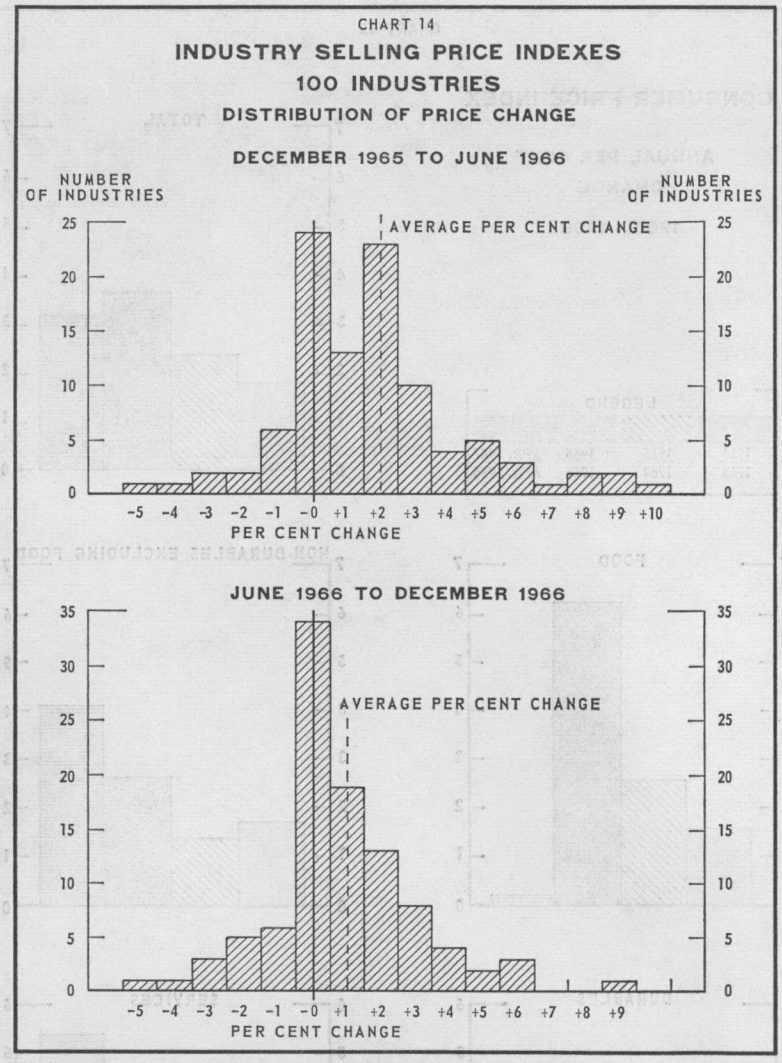
Price Developments

Price movements in the Canadian economy in 1966 reflected all of these factors. Buoyant demand, particularly at the consumer level, both caused and permitted prices to rise. Higher prices in the United States, notably food prices, were an important element in the pattern of price movements which emerged in Canada. Accompanying these trends was the record of rising wage-rates and smaller productivity gains, which raised production costs and added to price pressures as the year wore on. In addition to these developments, the introduction of the Canada and Quebec Pension Plans on January 1 (which added the employer's contribution to his production costs) and the addition of a further 2 percentage points to the Ontario sales tax at the retail level resulted in further upward movements in the price indexes.

The detail available in the Industry Selling Price Indexes (which are not combined into a composite index in order to avoid double-counting and other technical difficulties) presents a helpful indication of the industries which are experiencing cost pressures or exceptional demand conditions. Chart 14 shows the degree of pressure which was present during the year, revealing the percentage of industries changing their prices, in what direction and by how much; it indicates that increases were greater in the first half of the year.

There was some additional evidence of diminishing demand pressure during the later months, in the movement of the wholesale index of thirty industrial materials. This index, which includes many items traded on world commodity markets, in February 1966 reached its highest point since the period of the Korean War, but since that time has declined steadily if modestly. The index of non-residential building materials, in which increased wage-costs and other factors can more readily be moved forward into prices, continued to edge upward until the end of the year. The residential materials index, among these special groupings, continued to move upward throughout the entire twelve months and into the new year. The price index of finished manufactured goods, which incorporate material, labour and other costs, rose in every month of the year until September, when it was 2.5 per cent higher than it had been in January. Some deceleration appeared to develop towards year-end.

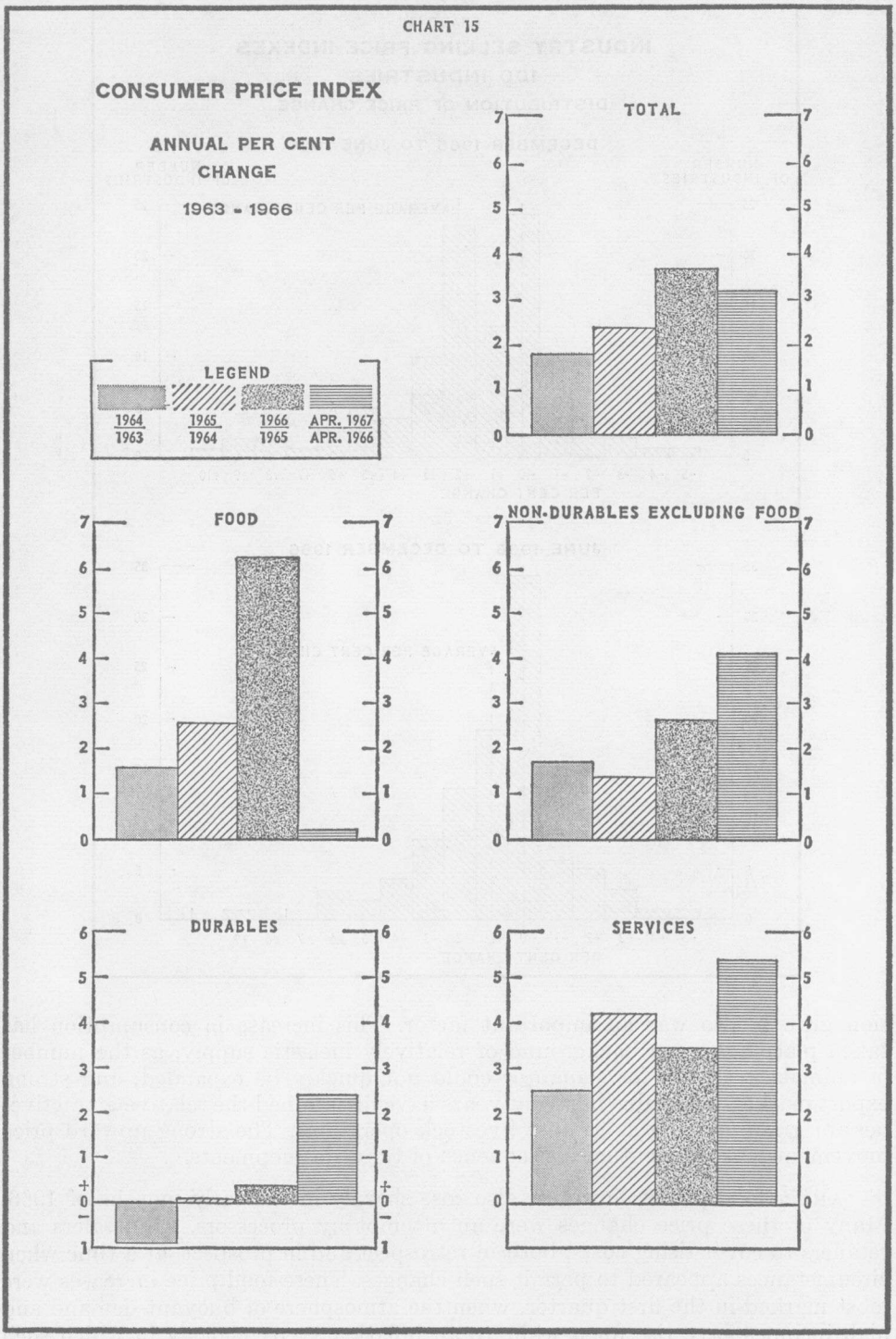
The price changes which attracted most attention during the year were those affecting the consumer price index. In particular, the sharp rise in food prices, which began in 1965 and became much more rapid in the first few months of 1966, became a source of growing concern. This movement was due only in part to cyclical pressures. Rising prices of livestock products were fundamentally a response to the continued rise in consumer demand for meat in both the United States and Canada. While the upward trend in consumption was very largely a response to the rise in incomes which has been a feature of recent years, popula-



tion growth also was an important factor. This increase in consumption has taken place against a background of relatively inelastic supply, as the number of animals available for slaughter could not quickly be expanded, and strong export markets for grains in recent years have maintained the relative attractiveness of grain growing as against livestock operations. The strong upward price movement was an eventual consequence of these developments.

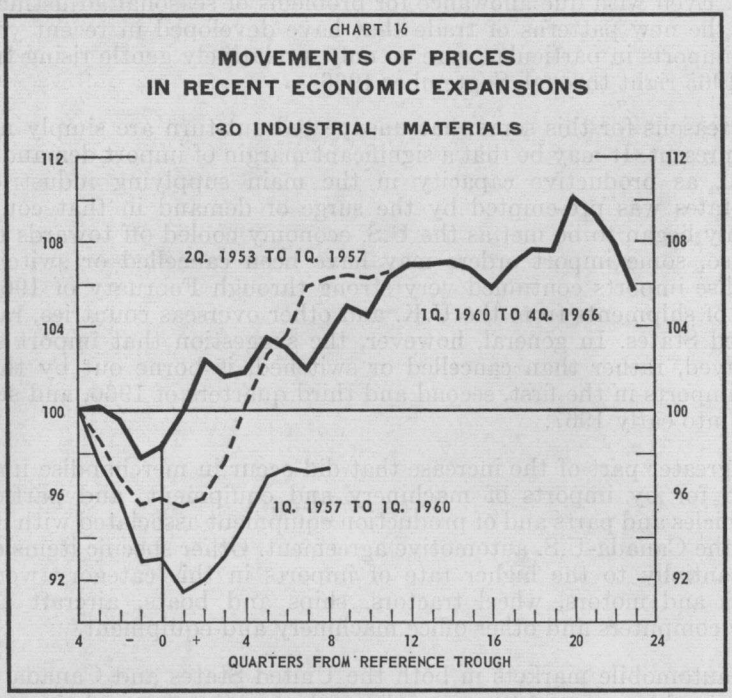
Other food prices, however, also rose sharply in the early months of 1966. Many of these price changes were an attempt by processors, wholesalers and retailers to cover rising costs, both in retrospect and in prospect, at a time when circumstances appeared to permit such changes. These food price increases were most marked in the first quarter, when the atmosphere of buoyant demand and high incomes gave rise for a while to an inflationary psychology in which such

CHART 15


CONSUMER PRICE INDEX
ANNUAL PER CENT CHANGE
1963 - 1966
LEGEND
1964/1963
1965/1964
1966/1965
APR. 1967/APR. 1966
TOTAL
FOOD
NON-DURABLES EXCLUDING FOOD
DURABLES
SERVICES

price changes appeared to offer only a limited threat to the competitive positions of sellers. These particular changes were thus in part independent of demand pressures and in part caused by rising costs. Rising wage costs, which are the most important element of service prices, were a major cause of the continued advance in prices of consumer services.

Consumer prices other than food, as recorded in the consumer price index, were affected by tax changes, particularly the higher rate of sales tax imposed in the most populous province in the spring, and also by the continued rise in property taxes in most municipalities. These tax changes, while raising prices to the consumer, are not themselves evidence of cyclical pressures. Higher interest rates on residential mortgages do, however, find their way into the index as part of the price paid for home ownership. This, as a cyclical phenomenon, occurred in the course of 1966.



The slackening in the rate of price advance which occurred in the latter part of the year was both a reflection of, and a contributory factor to, the ebbing of the tide of inflationary psychology. This change of pace is most easily observed in the movement of the implicit price indexes of gross national expenditure and its components, which rose sharply throughout the first half of the year but recorded smaller quarterly increases thereafter (reference table 20). Over the year as a whole, the GNE deflator advanced by 4.6 per cent, compared to 2.8 per cent in the previous year. It may be noted that the year-over-year fourth-quarter comparison was 4.9 per cent. The built-in wage increases in many industries, and the present unsatisfactory productivity record across the non-farm economy as a whole, however, indicate a continued rise in unit wage costs in coming months, and hence a continued, though more moderate, increase in the general level of prices.

Imports of Goods and Services

Although some of the elements of strength in Canada's exports in 1966 had their counterparts in the import accounts, the growth of 13.2 per cent in total imports of goods and services[1] was little greater than in 1965 (12.3 per cent), and slightly less than in a period of markedly lower pressure on domestic resources in 1964, when it was nearly 14 per cent. Moreover, the rise in merchandise imports alone was virtually the same in each year, at 14.5 per cent in 1965 and 14.6 per cent in 1966. Outpayments on services increased by a little more than 10 per cent, as against rather less than 8 per cent in 1965.

This virtually straight-line trend in imports was not really commensurate with the sharply accelerated pace of the expansion in the domestic economy. Imports did not show the increase that might have been expected, on the basis of their behaviour in previous periods of very heavy pressure on domestic resources. Even with due allowance for problems of seasonal adjustment resulting from the new patterns of trade that have developed in recent years, merchandise imports in particular were on only a relatively gentle rising trend from October 1965 right through September 1966.

The reasons for this somewhat unexpected out-turn are simply not known in full at present. It may be that a significant margin of import demand remained unfulfilled, as productive capacity in the main supplying industries in the United States was pre-empted by the surge of demand in that country, and that it only began to be met as the U.S. economy cooled off towards the end of 1966. If so, some import orders may have been cancelled or switched; total merchandise imports continued very strong through February of 1967, but on the basis of shipments from the U.K. and other overseas countries, rather than the United States. In general, however, the suggestion that import shipments were delayed, rather than cancelled or switched, is borne out by the marked pause in imports in the first, second and third quarters of 1966, and subsequent increases into early 1967.

The greater part of the increase that did occur in merchandise imports was accounted for by imports of machinery and equipment, and particularly of motor vehicles and parts and of production equipment associated with implementation of the Canada-U.S. automotive agreement. Other specific items contributing substantially to the higher rate of imports in this category were electric generators and motors, wheel tractors, ships and boats, aircraft and parts, electronic computers and other office machinery and equipment.

The automobile markets in both the United States and Canada weakened somewhat in the course of the year, although the bilateral trade in automobiles and parts was vastly expanded. Despite increased production of commercial vehicles, lower Canadian imports of iron and steel, particularly of plate, sheet and strip steel, can be partly attributed to a levelling-off in car production in the course of the year. Imports of structural shapes and steel piling similarly were affected by the trend in non-residential construction, but Canadian purchases of pipes and tubing and of some other iron and steel products were considerably higher, so that the net reduction in iron and steel imports was only moderate. Among fuels, imports of coal and other bituminous substances recorded substantial gains over 1965, but liftings of foreign crude petroleum declined for the third successive year, a fact which was reflected in the lower volume

(1) Preliminary estimate on a balance of payments basis, which includes outpayments of inheritances and emigrants' funds; on a national accounts basis, excluding such funds, the increase was 13.6 per cent.

of imports from Venezuela. Non-ferrous metals and ores, particularly aluminum and nickel, constituted another group of products to show large increases in imports.

TABLE 15

COMPOSITION OF IMPORTS[1]
(millions of dollars)

	1964	1965	1966	Change 1965 to 1966	
				millions of dollars	Per cent
Fruits and Vegetables	289	304	315	+11	+3.6
Other agricultural and fishery products	636	596	635	+39	+6.9
Fibres, fabrics and textiles	509	526	535	+9	+1.7
Iron, steel and products	545	666	629	−37	−5.6
Coal, petroleum and products	547	622	635	+13	+2.1
Other metals, minerals and products	417	479	584	+105	+21.9
Forest products	157	172	169	−3	−1.7
Chemicals and products	463	524	550	+26	+5.0
Machinery	1,211	1,372	1,575	+203	+14.8
Motor vehicles and parts	818	1,125	1,581	+456	+40.5
Other equipment	980	1,202	1,473	+271	+22.5
Miscellaneous products	915	1,046	1,187	+141	+13.5
Total Imports	7,488	8,633	9,867	+1,234	+14.3

[1]Trade of Canada basis.

The increase in imports of agricultural products was concentrated chiefly on meat and dairy products, eggs and honey, partly offset by a reduction in the value of imported raw sugar. Smaller purchases of cotton restrained the increase in imports of fibres, fabrics and textiles. Geographically, the U.S.A. accounted for the bulk of the increase in Canadian imports in 1966.

The growth of outpayments on most non-merchandise transactions ("imports" of services, including the use of foreign capital) was in general not much faster than in 1965, and a good deal less rapid than in 1964, a year which saw a particularly marked rise in payments associated with the servicing of capital. Payments of interest and dividends together rose by 10 per cent last year, the growth in interest payments being relatively much the greater. Reduced corporate profitability may have been a factor in the slower growth of dividend payments, but the extensive control of Canadian corporations by non-residents has long tended to over-ride any clear relationship between current profitability and distributions to non-resident shareholders. It is certainly the case that the trend of recent years has been considerably distorted by the erratic behaviour of dividend payments to the United States, which contributed to a rise of nearly 24 per cent in the outflow from Canada in respect of dividend payments in 1964, followed by increases of only 3½ per cent in 1965 and 7½ per cent in 1966.

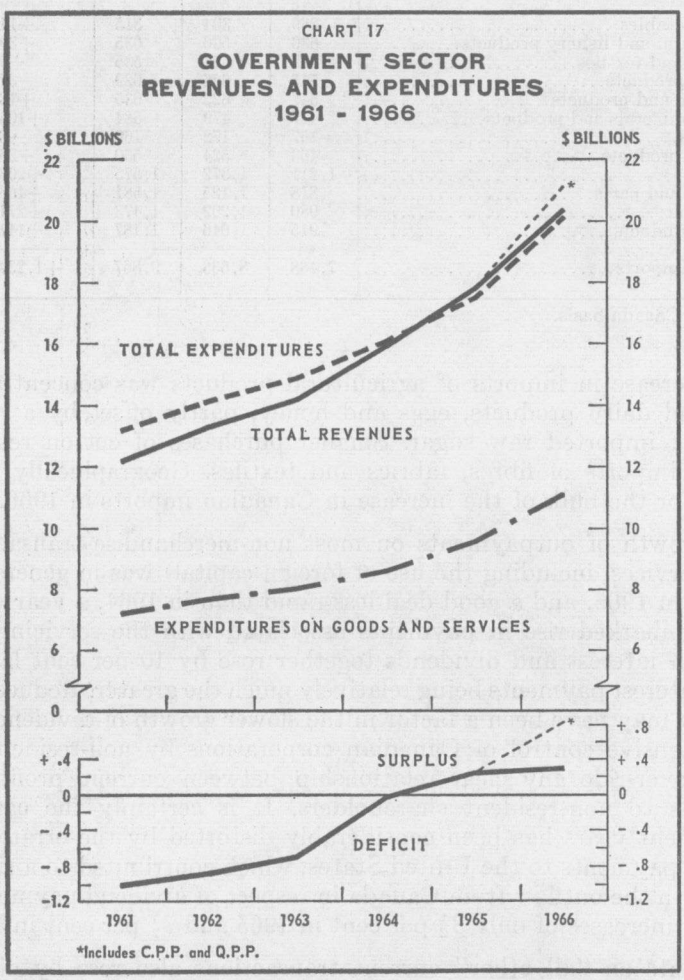
Payments on "all other" current transactions also rose by about 10 per cent, and advertising expenditures in connection with Expo '67 were one of the contributory factors. The increase in payments on travel account was a good deal stronger, at nearly 18 per cent; but the rise in payments on freight and shipping was little more than 2 per cent, despite the substantial increase in the total of Canada's external trade in merchandise.

The major single factor in the acceleration that occurred in non-merchandise payments, however, was a near-doubling in official contributions, from $92 million in 1965 to $167 million in 1966. A major part of this increase is accounted for by the aid donation of some $60 million of wheat to India. Since this was a donation in kind, a similar increase was recorded in merchandise exports.

GOVERNMENT SECTOR

This section deals with government transactions on a national accounts basis and for the calendar year, in order to make comparisons with other economic aggregates.

CHART 17



Looking back to the period when the economy emerged from the trough of the cycle in early 1961, government revenues were rising appreciably less than expenditures. As a result, the deficit of the total government sector continued to grow, and for that year it was enlarged to a postwar near-record level

of $1,005 million. With the gathering momentum of expansion, revenues outpaced expenditures in successive years, until in 1965 the fiscal position of the total government sector moved to a surplus of $246 million. The municipal sector continued to run deficits of around $400 million annually until 1964, when these increased to over $500 million. Burgeoning demands for schools, streets, sewers and other ancillary facilities generated by the expansion were met from the extra revenues made available to the municipalities from taxes and from larger transfers from the provincial governments.

The revenue and expenditure position by level of government is shown in the table below.

TABLE 16

REVENUES, EXPENDITURES AND FISCAL POSITION, BY LEVEL OF GOVERNMENT

(National accounts basis)

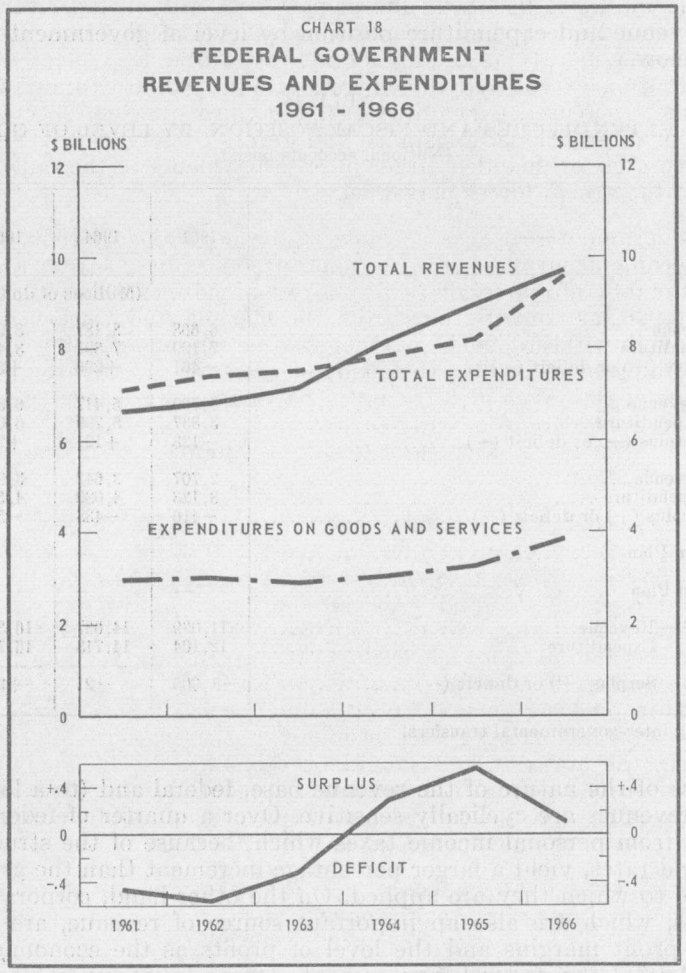
—	1961	1964	1965	1966
	(Millions of dollars)			
Federal—Revenue	6,668	8,187	8,973	9,721
Expenditure	7,129	7,891	8,405	9,597
Surplus (+) or deficit (−)	−461	+296	+568	+124
Provincial—Revenue	3,709	5,417	6,336	7,293
Expenditure	3,837	5,296	6,084	7,263
Surplus (+) or deficit (−)	−128	+121	+252	+30
Municipal—Revenue	2,707	3,642	3,945	4,427
Expenditure	3,123	4,080	4,519	5,015
Surplus (+) or deficit (−)	−416	−438	−574	−588
Canada Pension Plan	—	—	—	531
Quebec Pension Plan	—	—	—	183
Total[1]—Revenue	11,099	14,697	16,373	18,780
Expenditure	12,104	14,718	16,127	18,500
Surplus (+) or deficit (−)	−1,005	−21	+246	+280

[1]Excluding inter-governmental transfers.

Because of the nature of the revenue base, federal and (to a lesser extent) provincial revenues are cyclically sensitive. Over a quarter of federal revenues are derived from personal income taxes which, because of the structure of exemptions and rates, yield a larger percentage increment than the growth in the income base to which they are applied. On the other hand, corporation income tax accruals, which are also an important source of revenue, are affected by changes in profit margins and the level of profits as the economic expansion proceeds. Again, the federal government derives a considerable amount of revenues from sales and excise taxes and customs import duties levied on cyclically responsive purchases of durable goods for consumption and investment. It should be observed however that year-to-year changes in revenues throughout this period were also affected by the gradual application of sales taxes on construction materials and production machinery and equipment, and at the provincial-municipal level by increases in sales, gasoline and property tax rates.

The net result of these factors over the period was the change from a deficit position at the federal level of $461 million in 1961 to a surplus position of $296 million in 1964 (on a national accounts basis). By the second quarter of 1965,

the federal surplus was running at a seasonally adjusted annual rate of some $680 million. Despite the reduction in personal income taxes as of July 1, 1965, by an equivalent of 10 per cent of the basic tax subject to a maximum reduction of $600 in a full year, the buoyancy of demand was such that gains in indirect tax revenues and revenue from other sources offset the reduction in personal income tax flows. On balance, the rate of federal surplus was relatively unchanged during the rest of the year.



From the fourth quarter of 1965, however, the federal surplus on the national accounts basis declined by $240 million to an annual rate of $416 million in the first quarter of 1966, to $280 million in the second and to $164 million in the third; a deficit of over $360 million was recorded in the fourth quarter[1]. A number of factors contributed to the drop in the first quarter of 1966. At the beginning of 1966, the flow of old age security payments increased appreciably with the first of the scheduled annual reductions to the eligible age limit from 70 to 69

(1)This apparent change from surplus to deficit arises partly from the seasonal adjustment of interim payments to railways.

years. In the same quarter higher defence expenditures reflected the lump sum re-engagement bonus paid to service personnel. On the revenue side the basic abatement of personal income taxes to the provinces was raised from 21 to 24 percentage points.

In the succeeding quarters of 1966, the growth in revenues did not keep pace with the expansion of expenditures. A number of special factors contributed to this development. In the second quarter, for example, revenues from direct personal income taxes declined, due in part to a shift in tax refunds from the first to the second quarter. In the following quarter the flows of personal income taxes rebounded sharply as the higher tax rates came into effect, although this was offset to some extent by reduced corporate tax liabilities and reduced investment income. Increased expenditures in the third quarter reflected the larger payments for international assistance and grants to universities. Special factors in the fourth quarter included larger interim payments to the railways and pay increases to the armed forces personnel.

The government sector as a whole at the beginning of 1966 showed a rise in the government surplus (on a national accounts basis) from a rate of $400 million in the fourth quarter of 1965 to a rate of close to $544 million in the first quarter of 1966, as contributions from the Canada and Quebec pension plans began to flow in with no benefit payments to be made in the first year. By then, it was becoming evident that the demand pressures in the economy generally and the pace of the investment boom in particular were generating inflationary conditions in an economy already operating at or close to capacity. With this in mind, the Minister of Finance introduced a number of restraining measures in the spring budget.

After these and other changes had been taken into account a surplus of $455 million, exclusive of the refundable tax, was forecast on a national accounts basis for 1966-67 in the spring budget. By late 1966 the pressure of excessive demand had moderated. Mainly because expenditures were higher than had been expected in the spring budget, it appeared the surplus would be substantially lower than the amount forecast earlier. A supplementary budget was brought down on December 19 to introduce measures for financing the recently-legislated "guaranteed income supplement" programme for needy pensioners. In reviewing the situation at that time, it was decided that, taking account of the changes since March, the action taken should be economically neutral, balancing the expenditures on the guaranteed incomes supplement with increased revenues. Accordingly, taxes were raised by an amount of $290 million annually, to meet the forecast cost of the new programme.

Cash requirements of the federal government, which cover loans and investments as well as budgetary requirements, also proved to be greater than had been forecast in the budget of March 29, 1966. At that time the Minister had forecast for 1966-67 a budgetary requirement of $150 million, and a further $350 million for non-budgetary transactions such as loans, investments, advances, etc., exclusive of amounts collected from the refundable tax. By December, higher than anticipated expenditures had raised the budgetary deficit to $340 million. On the non-budgetary side, cash requirements were raised also by $150 million from those forecast earlier, mainly because of larger direct loans for housing.

In terms of statistical detail underlying recent federal revenue changes, three-quarters of the $748 million increase from 1965 to 1966 is represented by larger revenues from personal direct taxes and indirect sales taxes. Personal

income tax flows strengthened with the growth in labour income and the restoration in June 1966 of most of the tax cut made a year earlier. Offsetting effects included the increase of the basic abatement to the provinces and, to some extent, the tax deductibility of contributions to the Canada and Quebec pension plans.

Federal sales and other indirect taxes rose by 10.2 per cent in 1966, a somewhat lower rate than in previous years. This was partly associated with a decline in the rate of growth of expenditure on durable goods and housing construction but also because the higher figures of the preceding years reflect the progressive application of the sales tax to building materials and production machinery and equipment.

On the expenditure side, total federal outlays rose by close to 14.2 per cent, slightly more than the rate of increase of the previous year. Of the total increase of $1,192 million, approximately one-half is accounted for by larger purchases of goods and services. Wages and salaries, the largest single factor contributing to this increase, rose by 13.1 per cent, largely as a result of higher wage and salary rates.

Other factors included increased international assistance, re-enlistment bonuses and higher pay and allowances to armed service personnel, and special contributions to superannuation accounts consequent upon the pay increases. It should be noted, however, that the latter is an actuarial adjustment and does not represent cash outlays in the current period.

Transfers to other levels of government rose by $232 million or 16.3 per cent, primarily because of larger payments to the provinces under federal-provincial fiscal arrangements and under the Technical and Vocational Training Assistance Act.

Transfers to persons rose by 7.0 per cent, with over two-thirds of the change arising from increased old age security payments associated in part with the reduction in the age limit at which these are paid. The balance of the increase was spread among a number of items, the largest being the payment to universities associated with the raising of the per capita grant from $2 to $5. Interest on the public debt rose by 9.4 per cent and transfers to business by 25.1 per cent, the latter reflecting mainly larger subsidies to railways.

The net position of the provincial-municipal governments on a national accounts basis also declined in 1966. Provincial-municipal expenditures rose by 15.4 per cent in 1966, compared to a 13.3 per cent increase in 1965, while the revenue increase was fractionally smaller in 1966 than in the previous year. As a result, the provincial-municipal government sector showed a deficit, on the national accounts basis, of $558 million in 1966 compared to deficits of $360, $317 and $322 millions in 1963, 1964 and 1965 respectively.

Provincial revenues rose by 15 per cent to $7,293 million in 1966. Personal direct taxes, which accounted for one-fifth of provincial revenues, increased by roughly one quarter, mainly due to a 36 per cent rise in personal income tax receipts following the transfer of an additional abatement of 3 percentage points from the Government of Canada to the provinces. Indirect taxes increased by almost 15 per cent, largely because of an 18 per cent rise in gasoline and retail sales tax receipts. This reflected a widening of the retail sales tax base in Quebec, as well as a 2 percentage points increase of this tax in Ontario and an increase in gasoline tax in both Ontario and Saskatchewan. Additional transfers from the Government of Canada raised the level of federal transfers to roughly 20 per cent of provincial government revenue.

Expenditure on goods and services, which made up over a third of provincial government outlays, increased by almost one quarter, mainly because of a rapid rise in capital expenditures by provinces. This was particularly evident in the third quarter of the year, when there was a sharp upswing arising mainly from a spurt in capital spending on highways in some provinces. Transfers to persons rose by 16 per cent, reflecting a substantial increase in grants to non-commercial institutions, which for national accounts purposes are included in the personal sector. This again reflected the growing outlays of provincial governments for health and education. Finally, transfers from the provinces to municipalities increased by almost 18 per cent as grants to school corporations and for general purposes expanded sharply.

In 1966, municipal governments ran a deficit of $588 million on a national accounts basis, a somewhat larger deficit than in the previous year. Revenue increased by 12 per cent to $4,427 million and expenditure by 11 per cent to $5,015 million. Indirect taxes, which at the municipal level consist largely of real property taxes, increased by over 7 per cent.

Municipal expenditure on goods and services, which forms over nine-tenths of the total expenditure of municipalities, rose by over 11 per cent over the previous year. Outlays on wages and salaries rose by 9 per cent, and there was a 24 per cent rise in outlays for buildings, machinery and equipment by municipal governments, including school authorities.

BALANCE OF PAYMENTS

The Current Account

Historically, the Canadian deficit on current international transactions has acted as a barometer of the economy's need to call upon external resources, tending to rise during an economic expansion, and shrink when the rate of economic growth slackens. This is due largely to the elasticity of imports to changes in income and pressures on domestic resources. However, the effect of this on the total current account balance is moderated by the relatively steady increase in payments to service past capital inflows. With the beginning of the present business expansion, the balance on current account might have been expected to deteriorate in accordance with the historical trend. The fact is that this did not happen, and it is not possible to relate recent changes in the balance of payments closely to trends in domestic demand.

Several factors account for this development. During the period of high unemployment between 1957 and 1961, a substantial proportion of domestic productive capacity had become idle, and this allowed subsequent increases in demand for goods and services to be met from domestic sources rather than imports. During the early part of the current expansion as well, imports were affected by the devaluation of the Canadian dollar in 1962 and more briefly by the emergency import surcharges imposed in that year. Imports did not begin to accelerate until later in the expansion when there was less spare domestic capacity to draw upon and more resources were being put into investment, which has a heavy import content. Exports, on the other hand, received a special stimulus from the devaluation in 1962 and from the long-term wheat contracts with the U.S.S.R. and Mainland China, under which deliveries were heaviest in 1964. The merchandise trade surplus continued to rise to a peak of $701 million in 1964.

Looking at non-merchandise transactions, receipts started to grow in 1960 more rapidly than payments, in particular those related to travel, freight and shipping and inheritances and migrants' funds. This served to reduce substantially the growth rate for the deficit on non-merchandise transactions and actually led to an absolute decline in 1962 and 1963. The net effect of these factors was to reduce the current account deficit from $928 million in 1961 to $424 million in 1964, although the economy had entered upon a period of vigorous expansion. The reversal in 1965 was due to a pause in wheat shipments, which reduced the growth in exports to 6.2 per cent, while imports rose by 14.5 per cent. The latter was partly a result of the growing pressure on resources and partly due to the effect of the Canada-U.S. automotive agreement, which led to an increase in both exports and imports of automotive products. The consequent contraction of the trade surplus was accompanied by an increase in the deficit on non-merchandise transactions (although the growth rate for receipts continued to exceed that for payments), producing a current account deficit in excess of $1 billion for 1965.

Exports and imports of goods and services in 1966 have been discussed already as separate elements in demand and supply in the domestic economy. It will be recalled that in neither case were developments in 1966 fully in accordance with cyclical experience. Even apart from wheat and autos, exports showed considerable strength as a result of demand pressure in the United States and some of this pressure was thereby transferred to the Canadian economy. The growth of Canadian imports on the other hand was less than could have been expected in the light of heavy pressures of demand in Canada.

For 1966 as a whole merchandise exports increased by more than 17 per cent while merchandise imports rose by less than 15 per cent. The surplus on merchandise trade amounted to $380 million for the year compared with $118 million in 1965. It was noted earlier that the reasons for the relatively modest increase in imports in a year of exceptional demand pressures cannot be fully explained on the basis of present information. At the same time, merchandise exports benefited from the special circumstances affecting wheat and automotive trade. Apart from these special circumstances, merchandise trade on other items moved from near balance in 1965 to a deficit of about $100 million in 1966. It should be borne in mind, however, that a higher level of wheat exports generates income which is partly spent on imported items including agricultural machinery. By the same token, the much higher two-way trade in automotive parts has involved substantial increases in imports of capital equipment by the auto industry. Accordingly, one cannot regard the additional receipts from sales of wheat and trade in automotive products as being a net gain to the merchandise balance that was not offset by some additional imports.

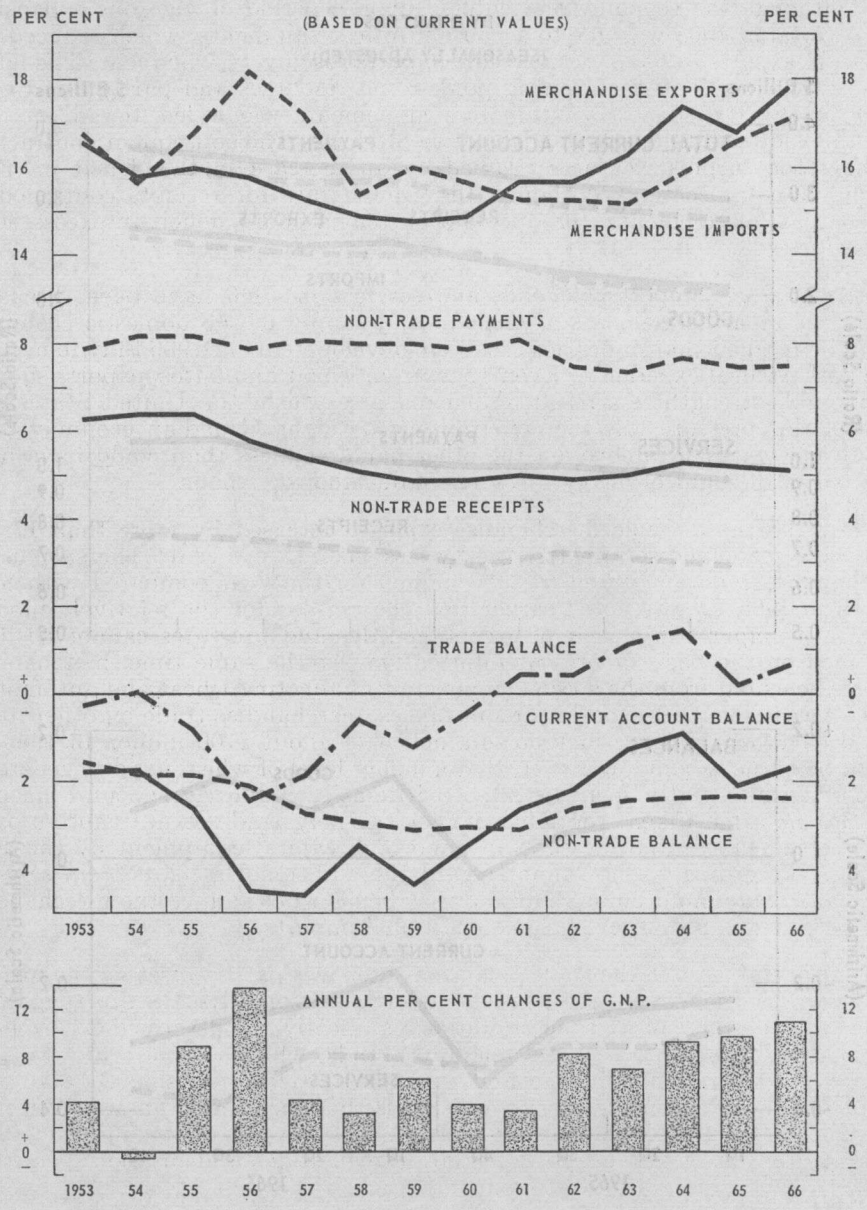
The overall gain in the trade balance in 1966 was partly offset by the further increase in the deficit on non-merchandise transactions. As already suggested, however, not much of this deterioration can really be described as cyclical. The balance on inheritances and migrants' funds, which is not in any case an element in the national income and expenditure accounts, showed a further substantial improvement, owing to a steep rise in receipts and an actual decline in payments. The rate of emigration to the U.S.A. was sharply reduced in 1966, partly as a result of changes in immigration regulations and procedures in that country, while immigration into Canada reached the highest level since 1957. Payments for freight and shipping rose more moderately than in 1965, and the deficit for these transactions therefore declined again following a deterioration in the previous year. In total, there was a shift in the trend of the last few years,

CHART 19

BALANCE OF PAYMENTS, CURRENT ACCOUNT COMPONENTS
1953 - 1966
AS PER CENT OF GNP

ANNUAL

(BASED ON CURRENT VALUES)



27053—60½

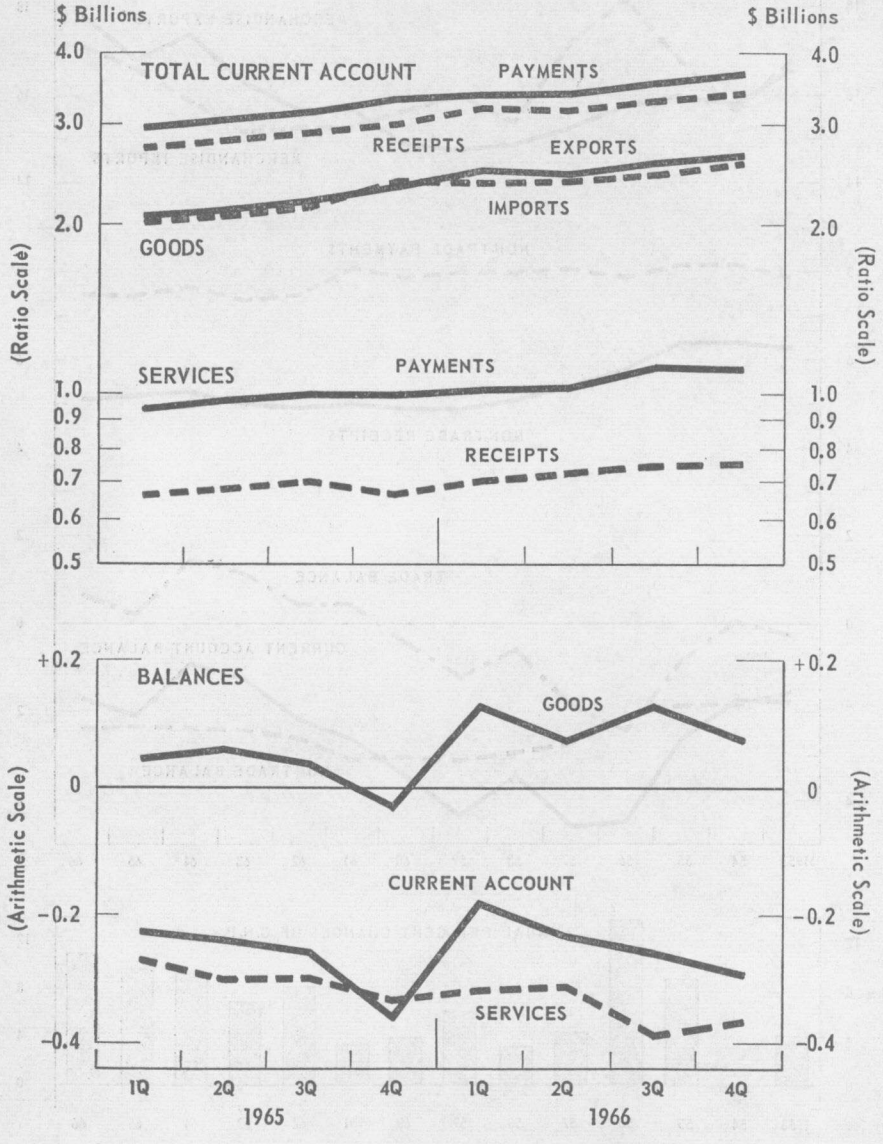
CHART 20

BALANCE OF PAYMENTS CURRENT ACCOUNT

1965 - 1966

BY QUARTERS

(SEASONALLY ADJUSTED)



in that payments for services now rose at a higher rate than receipts for the first time since 1959. Chiefly responsible for this change of trend and the deterioration of the deficit on non-merchandise transactions were an increase in official contributions and bigger deficits on interest and dividends and travel accounts. The larger outflow for official contributions was related to higher shipments of wheat under bilateral food aid programmes (particularly to India), and cash contributions under multilateral aid programmes. Receipts of interest and dividends declined for the second year in succession and thus added further to the rise in the deficit on this account. Expenditures by Canadian tourists abroad rose considerably faster than in the previous year, while Canadian receipts from tourism rose more slowly. As a result, the improvement which occurred in the travel balance in 1965 was more than reversed in 1966, contributing to the increase in the overall non-merchandise deficit. Gold production declined for the fifth consecutive year, and at about twice the 1965 rate. In all other non-merchandise transactions, receipts continued to rise more rapidly than payments, but not sufficiently to achieve a further reduction in the deficit for these items in 1966.

The growth in the deficit on non-merchandise transactions was incurred chiefly with the U.S.A., where it more than offset the improvement in the trade balance and produced a higher bilateral deficit on current account. Canada's current position with the U.K. also deteriorated, but the trade surplus earned in respect of other countries was sufficiently large to offset the increase in net payments on services and trade to the U.S. and U.K. and produce an aggregate deficit on current account some $100 million smaller than in 1965.

TABLE 17

CURRENT ACCOUNT OF THE CANADIAN BALANCE OF PAYMENTS

(millions of dollars)

	1963	1964	1965	1966 (Preliminary estimates)
Merchandise trade				
Exports	7,082	8,238	8,745	10,270
Imports	6,579	7,537	8,627	9,890
Balance	503	701	118	380
Non-merchandise trade				
Balances—				
Gold production available for export	+154	+145	+138	+125
Travel	+ 24	− 50	− 32	− 60
Interest and dividends	−630	−678	−761	−884
Freight and shipping	− 85	− 35	− 82	− 74
Inheritances and migrants' funds	− 35	− 32	—	+ 60
Official contributions	− 65	− 69	− 92	−167
All other current transactions	−408	−406	−372	−363
Total	−1,045	−1,125	−1,201	−1,363
Current account balance	− 542	− 424	−1,083	− 983

Reference table 31 shows Canada's bilateral account with the United States. In 1966, the current account deficit with the U.S. increased to $2,107 million from $2,050 million in the preceding year. As in 1965, the greater part of the current account deficit with the United States was financed by means other than a net import of capital from the United States. The net inflow of long-term

capital from the U.S. rose from $964 million to $1,146 million, and there was a somewhat smaller net outflow of short-term capital to the United States than in 1965. The net overall balance remaining to be financed fell from $1,594 million in 1965 to $1,308 million in 1966. But whereas the overall deficit with the United States in 1965 had been more than covered by the combination of current account earnings elsewhere and an inflow of over a billion dollars of short-term capital from overseas, in 1966 the short-term capital account with overseas countries was virtually in balance. Current account earnings overseas rose from $829 million to $999 million, and the net outflow of long-term capital to the rest of the world was rather smaller; this left $484 million of the 1966 deficit with the U.S. to be covered out of Canadian reserves and domestic gold production. Gold output was in fact smaller, by $13 million in balance of payments terms, and about $360 million of the net payments to the United States was therefore met by a net drawing-down of reserve assets.

The Capital Account and the Reserves

While there was an improvement of $100 million in Canada's current account deficit in 1966, the financing of this deficit and associated matters of foreign exchange management led to a number of new developments and practices during the year.

On the one hand, long-term new borrowing in the United States market remained for the third full year the main means of such financing. This market continued open in practice to the Canadian borrower because an exemption from both the Interest Equalization Tax and quantitative guidelines was granted by U.S. authorities, while the Canadian government undertook not to use this exemption to increase the level of Canada's official reserves; the terms of this undertaking have tended over time towards a slightly lower level of such reserves.

The way in which credit conditions developed in Canada during 1966 in relation to credit market developments in the United States continued to have an important influence on the volume of new Canadian issues placed in the United States market and the need to maintain an adequate capital inflow in this form continued to be of concern in the conduct of Canadian monetary policy.

The undertaking with the U.S. respecting the level of exchange reserves was met in part by special repurchases of Government of Canada and IBRD securities from U.S. holders as a means of exporting capital. This new instrument of special repurchases gave additional flexibility to the monetary authorities in the carrying out of their policies.

Turning to the figures for the capital account, new issues of Canadian bonds abroad, net of ordinary retirements, rose by just about $250 million in 1966, to $1,053 million as against $805 million in 1965, in large part as a result of the postponement of deliveries requested in November 1965. The majority of this increase was offset by the special repurchases of Government securities and purchases of IBRD bonds, which together totalled $182 million, and which were carried out as a means of meeting the undertaking with the United States respecting the level of official reserves.

Direct investment in Canada by non-residents rose again, to well over double the level of 1964; much of the increase was associated with investment in the automobile industry, but there were also large increments in respect of electrical equipment, petroleum and other minerals, and pulp and paper capacity.

Over the year as a whole, there was a small net disinvestment by Canadian residents in directly-owned enterprises abroad, leading to a capital inflow from this source of $10 million.

Portfolio transactions in Canadian stocks resulted in a net outflow in 1966 of about one-half of the 1965 total. A particularly heavy slate of repayments of export credits reduced net advances to only $43 million, against $187 million in 1965. Major offsets to these were a $99 million net outflow for the repurchase of outstanding Canadian bonds, apart from the special purchases by the government for balance of payments reasons (against a $62 million inflow in the previous year), and a quadrupling of the outflow for the acquisition of foreign securities: from $84 million in 1965, net purchases rose to $357 million last year.

In the first half of 1966, the net inflow of long-term capital into Canada, leaving aside the special repurchases, was $785 million, just $30 million more than the current account deficit incurred over the same period. The repurchases, combined with some outflow of short-term funds in the first quarter of the year, had brought the total of Canadian official reserve assets (here defined as holdings of gold and U.S. dollars and Canada's net creditor position with the International Monetary Fund) by the end of June to $2,595 million, close to the agreed level of about US $2,550 million.[1]

Over the year as a whole, however, and especially in the third quarter (at a time when further government bond repurchases were being undertaken in order to offset some of the normal seasonal strength of the current account), there was a pronounced movement in short-term capital flows by comparison with 1965. The Canadian chartered banks had complied with a request of the Minister of Finance in March 1965, that they not worsen their net asset position vis-à-vis U.S. residents, as compared with the position of December 1964. This was done in order to protect the U.S. balance of payments position and Canada's access to U.S. capital markets. Canadian banks took substantial short positions in the Eurodollar markets overseas; in fact they had moved from a net foreign currency asset position overseas of over half a billion dollars in January 1965 to a net liability position of similar magnitude by October of that year. In doing so, they not only strengthened their net asset position in the United States, but reduced their net foreign currency liabilities to Canadian residents as well. This constituted a net inflow of short-term capital into Canada amounting to $426 million, which lent more than incidental support to the Canadian balance of payments in that year. It was, however, a form of support which could not, by its nature, continue indefinitely; and in 1966 it ceased and was replaced by an outflow. This outflow was compounded of a continued rise in the banks' net asset position vis-à-vis U.S. residents, little change in their net liabilities overseas, and an increase in their net liabilities to Canadian residents. Although their own net foreign currency asset position vis-à-vis Canadian residents strengthened somewhat, most of the latter increase was reflected in an outflow to the United States, approaching half a billion dollars for the year as a whole, and more than accounting for the net outflow of $325 million for all forms of short-term capital.

The net effect of these diverse capital movements and the current account balance upon Canada's official reserve asset position was a reduction of $359 million in terms of Canadian dollars. Canada's net position with the IMF in

(1)In December 1965, Canada agreed to reduce its target figures for reserves from US $2,700 million fixed in 1963 to US $2,600 million by the end of 1966. This target has been adjusted to take into account Canada's payment of gold to the value of $47.5 million U.S. as part of its quota increase in the International Monetary Fund, since it was considered that a reduction in official holdings arising from this cause did not reflect a balance of payments requirement justifying the use of the United States capital market.

fact improved by rather more than $100 million; roughly half of this represented the transfer of gold from Canada's official holdings as 25 per cent of an increase in IMF quota. The drop in official holdings of gold and foreign exchange (after this transfer, and including working balances of convertible currencies other than U.S. dollars), totalled $462 million in terms of the Canadian dollar equivalent.

SOURCE AND DISPOSITION OF SAVING

On a national accounts basis total national saving in 1966 amounted to some $11.8 billion, about $1.3 billion higher than the 1965 total. National saving thus has continued to supply by far the greater part of the resources needed by the business sector for investment. The extent to which Canada drew upon foreign saving was fractionally less in 1966 than it was in 1965. These developments are summarized in table 18.

In the personal sector, where saving is the difference between personal income after taxes and personal expenditure on goods and services, total saving amounted to $3.4 billion, some 17.5 per cent higher than the $2.9 billion recorded a year earlier. This was very largely a reflection of the exceptionally sharp advance in farm income which occurred during the year, arising both from larger crops and higher prices of farm products. Personal saving represented 9.0 per cent of personal disposable income in 1966, compared to 8.4 per cent in 1965, and while some part of this represents larger inventories and higher inventory values in the hands of farmers, saving by wage and salary earners and out of other forms of income also rose. This level of saving relative to personal disposable income was higher than that of any other year in the expansion which began in 1961.

Business saving in 1966 was affected by the levelling-off in growth of corporation profits. Along with a continued rise in dividends paid this resulted in a reduced level of undistributed profits. At the same time capital consumption allowances, also a component of business saving, increased by less than in 1965; this was largely a result of the budget measures of March 1966, when the regulations were changed to reduce the capital cost allowances which could be claimed against some classes of capital assets acquired during the subsequent eighteen months. The moderating effects of these trends was slightly offset by an addition to saving arising out of the operations of the Canadian Wheat Board. The inventory valuation adjustment, which removes that part of recorded business profits arising from the effect of changing prices on inventory values, was little changed from 1965.

In the government sector, as discussed in detail in other pages of this review, expenditures accelerated while revenues, excluding the revenues of the Canada and Quebec pension plans, increased less. On this basis, the momentum of the swing from deficit to surplus which had been occurring over the preceding five years was not maintained in 1966. Within the framework of the national saving account, however, the revenues of the government pension plans are added to the revenues of the government sector and the addition to total saving represented by the net revenues of these plans is regarded as arising in the government sector. Inclusion of pension plan revenues in the government sector resulted in a moderately larger surplus in 1966 than was recorded in 1965.

TABLE 18

SOURCES OF SAVING

—	1964	1965	1966
	(Millions of dollars)		
Personal net saving	2,059	2,927	3,438
Business gross saving, total	7,182	7,594	8,036
(a) Undistributed corporation profits	1,389	1,444	1,230
(b) Capital consumption allowances and miscellaneous valuation adjustment	5,600	6,110	6,591
(c) Adjustment on grain transactions	111	−44	156
(d) Capital assistance from governments	82	84	59
Inventory valuation adjustment	−131	−325	−318
Government surplus (+) or deficit (−)	− 21	+246	+280
Federal	+296	+568	+124
Provincial and Municipal	−317	−322	−558
Canada and Quebec Pension Plans	—	—	+714
Deficit on current account with non-residents	412	1,141	1,101
Residual error	− 6	8	336
Total	9,495	11,591	12,873

DISPOSITION OF SAVING

—	1964	1965	1966
	(Millions of dollars)		
Business gross fixed capital formation	9,103	10,651	12,214
Value of physical change in inventories	386	948	995
Residual error	6	− 8	−336
Total	9,495	11,591	12,873

SOURCE: DBS *The National Accounts.*

The investment expenditures of the business sector in 1966 exceeded the saving originating in the business sector by $4.9 billion. (The comparable figure in 1965 was $4.0 billion, and in 1964 $2.3 billion.) Within the framework of the national accounts, these figures indicate the magnitude of the transfer of claims on current production among sectors, and also give some indication of the speed of the growth of the transfer in recent years.

	1964	1965	1966
	(billions of dollars)		
Business investment (including investment by government business enterprises)	9.5	11.6	12.9
Business saving	7.2	7.6	8.0
Net use by business of saving in other sectors	2.3	4.0	4.9
Foreign sector saving used	.4	1.1	1.1
Saving supplied by non-business domestic sectors	1.9	2.9	3.8

It is, of course, important to bear in mind that these figures show the net saving and investment of major sectors in the economy. They do not show how this net saving is transferred from savers to borrowers through the medium of financial instruments. Developments in the financial markets, where the financial institutions perform the function of facilitating these transfers, are discussed in detail below.

FINANCIAL SECTOR

Introduction

The process of transferring funds from savers to borrowers in the economy during 1966 encountered strains arising both from domestic and from external sources.

Corporate profits in 1966 were no larger than in 1965, while dividend payments increased. As a result, undistributed profits were reduced, and corporations, faced with plans for large increases in capital expenditures, found it necessary to run down their liquid positions and to seek funds in substantial volume in Canada and abroad. However, the funds actually raised in 1966 were substantially less than in 1965. This fact, combined with the impact of the federal budget, probably contributed to the shortfall of actual capital expenditures from the level anticipated in mid-year.

Governments as a whole more than doubled their 1966 borrowings, from the level reached in 1965. Provinces and municipalities raised by way of bank loans and securities issues almost $750 million more in 1966 than they had the previous year. However, some $630 million of this financing took the form of transfers through the Canada and Quebec Pension Plans. The federal government, which had retired a small amount of its total debt in 1965, borrowed over $400 million net in 1966.

The proportion of funds which was transferred from personal savers to borrowers through the medium of financial institutions was lower in 1966 than in 1965. Over the whole of 1966, total liabilities of deposit-accepting institutions increased at a rate of less than two-thirds that of 1965. The rate of growth of institutions which collect contractual savings was slightly less in 1966 than in 1965. The mortgage market was particularly affected by this development.

Canada's net use of foreign savings, as measured by the current account deficit, was fractionally smaller in 1966 than it had been in 1965. However, demands for funds abroad, both in the United States and in Europe, were very high. Credit conditions in foreign financial markets became markedly more restrictive during the course of 1966 until almost the end of the year. Canadian financial markets were inevitably affected by these developments abroad.

As is explained in some detail in the Annual Report of the Governor of the Bank of Canada, monetary policy remained restrictive during the first half of 1966, and the Bank Rate was raised in December 1965 and again in March 1966. However, "during the summer, when the upward pressure on interest rates in the United States became particularly severe, the Bank of Canada offered considerable resistance to a further tightening of credit conditions in Canada."[1]

Interest rates during the year reached levels which had not been seen since the 1920's. In August yields on Government of Canada bonds reached 6 per cent, and after some easing again reached this level in late November and early

(1) Bank of Canada Annual Report p. 40.

December. Provincial, municipal and corporate long-term interest rates rose even more sharply. Shortly after mid-year municipal and corporate bonds reached levels of about 6.75 per cent on average, and provincial bonds yielded over 6.60 per cent, where they remained until the end of the year. By the fourth quarter of the year rates on prime conventional residential mortgages had reached 8 per cent.

However, by year end credit conditions both at home and abroad were easing and interest rates declining. This trend has continued into 1967.

Demand and Supply of Funds Through the Capital Markets

Private Financial Institutions

Changes in the magnitudes and composition of the assets and liabilities of all financial institutions taken together reflect trends in the amount and nature of savings made available by lenders to financial institutions and in the disposition of these funds to ultimate borrowers. While data are not available for all financial institutions, a consolidation of the assets and liabilities of deposit-accepting institutions, which account for a large proportion of the resources of financial institutions, is shown in reference tables 35 and 36, on a quarterly basis, for the period December 1964 to December 1966. The percentage distribution of these assets and liabilities for the same period is shown in reference tables 37 and 38. The institutions included are the chartered banks, Quebec savings banks, trust companies and loan companies; caisses populaires and credit unions are excluded only because the data are not yet available.

During 1966 the total assets and liabilities of the deposit-accepting institutions rose by $2,259 million, or by 7.9 per cent, substantially less than that recorded in 1965.

ASSETS OR LIABILITIES OF THE DEPOSIT-ACCEPTING INSTITUTIONS
(Millions of dollars)

End of	Amount	Change	Percentage Change
1963	23,634	—	—
1964	25,371	1,737	7.35
1965	28,473	3,102	12.23
1966	30,732	2,259	7.93

This decline in the rate of growth occurred in the first half of 1966, particularly in the first quarter. During the second half of the year, as credit conditions became easier and the liquidity of deposit-accepting institutions improved, the growth rate strengthened and equalled that recorded during the same period in 1965. The Caisses Populaires Desjardins du Quebec, on the other hand, sustained their 1965 rate of expansion throughout most of 1966.

Total chequable deposits increased by $1,092 million in 1966 and accounted for 48 per cent of the total increase in liabilities. Term and notice deposits, debentures and certificates, continuing a trend which was evident in 1964 and which accelerated in 1965 as the interest rates paid for these forms of savings increased, rose twice as fast as chequable deposits, by 12.8 per cent, and accounted for 33 per cent of the total increase in liabilities.

Of the increased funds available to these institutions in 1966, approximately $890 million were channelled into new loans, mainly to businesses. Loans to instalment finance companies declined from the high level reached in the fourth quarter of 1965. Loans to individuals remained a relatively stable proportion of total assets. Investment in mortgages rose by $367 million in 1966, decreasing slightly the proportion of assets held in this form. Investments in government bonds rose by only $176 million during the year, leaving the proportion of assets held in this form approximately unchanged. A reduction in the proportion of assets held in provincial and municipal bonds was offset by an increase in Government of Canada securities. In the category of other securities, corporate bonds marked up a substantial increase but there was little change in the volume of funds invested in stocks.

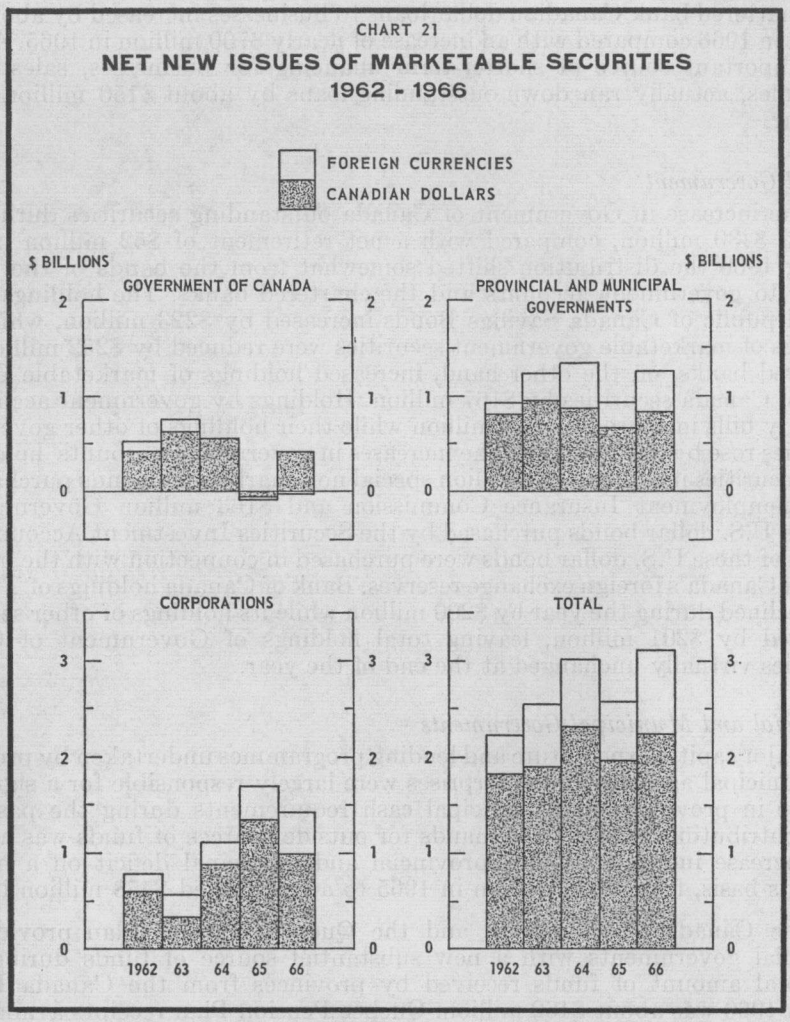
The insurance companies and the trusteed pension plans are another important channel of saving. Their assets and liabilities have grown more uniformly than those of the deposit-accepting institutions, because the savings which they receive are contractual and respond in only a minor way to changes in credit conditions and interest rates. In 1966, the net flow of funds into sixteen Canadian life insurance companies, which together account for about 83 per cent of total premium income in Canada, amounted to $640 million. Of the funds available in 1966, about 96 per cent arose from insurance operations in Canada (net premium income); the remainder, $23.5 million, represents the amount transferred from abroad. The funds available for investment by these companies in 1966 were increased by a further $75 million as a result of a net disinvestment in their holdings of Government of Canada, provincial and municipal government securities, and from a small reduction in holdings of finance company short-term paper. Of the total of $715 million available for investment, $457 million were channelled into mortgage loans and sales agreements, bringing this category to more than 50 per cent of the total assets of insurance companies. Of the remaining funds, $136 million were invested in corporate bonds, $44 million in real estate, $34 million in preferred and common stocks, and about $30 million in policy loans which were up substantially from previous years.

Of the remaining financial institutions, the sales finance and consumer loan companies are the largest, with assets valued at over $4 billion. The mutual funds are also significant with assets approaching $2 billion in value. Data for these institutions are not yet available for the fourth quarter of 1966. During the first three quarters of 1966 the assets of these institutions expanded at a slower rate than they did during the same period of 1965.

Non-Financial Corporations

As in 1965, investment outlays made by businesses in 1966 exceeded by a substantial amount business retained cash flows generated during the year. As noted above, on the national accounts basis businesses in 1966 had to meet $4.9 billion of their requirements from sources other than 1966 retained cash flows, compared with a similar requirement of $4.0 billion in 1965.

During the first half of 1966 particularly, in the face of a buoyant demand for funds from all sides and a very limited expansion of credit, many businesses experienced considerable difficulty in obtaining funds from outside sources. The cost of obtaining these funds, whether short-term or long-term, increased substantially through the year, as is shown in reference table 39. Since actual business investment outlays in 1966 did not in the event rise to the level predicted in the mid-year survey of investment intentions, it seems evident that both the high cost of funds and difficulties in getting them prevented many businesses from carrying out their revised intentions.



Funds obtained by non-financial businesses through the issue of new securities, bonds, common stock and preferred shares totalled $1,434 million in 1966 compared with $1,706 million in 1965. Whereas in 1965 $1,207 million was in the form of bonds, and $873 million of these bond issues were placed in Canada, in 1966 only $905 million was in the form of bonds and of these only $474 million were sold in Canada. Businesses seeking funds in the United States were faced during much of the year with severely strained market conditions, which restricted the amount of funds which could be made available to them. Canadian corporations managed to increase their sale of new issues in that market in 1966 as compared with 1965. However part of this reflected the postponements into 1966 of borrowings originally scheduled for delivery in late 1965. Direct investment from abroad, which plays an important role in providing funds for Canadian businesses, increased to $660 million in 1966 from $405 million in the previous year.

Chartered bank Canadian dollar loans to businesses increased by about $400 million in 1966 compared with an increase of nearly $700 million in 1965. Another very important source of shorter-term financing for businesses, sales finance companies, actually ran down outstanding loans by about $150 million during the year.

Federal Government

The increase in Government of Canada outstanding securities during 1966 totalled $430 million, compared with a net retirement of $52 million in 1965. During 1966 the distribution shifted somewhat from the hands of the general public[1] to government accounts and the chartered banks. The holdings by the general public of Canada Savings Bonds increased by $223 million, while their holdings of marketable government securities were reduced by $252 million. The chartered banks, on the other hand, increased holdings of marketable Government of Canada securities by $167 million. Holdings by government accounts of Treasury bills increased by $10 million while their holdings of other government securities rose by $282 million. The increases in government accounts' holdings of these securities included $129 million special non-marketable bonds purchased by the Unemployment Insurance Commission and $163 million Government of Canada U.S. dollar bonds purchased by the Securities Investment Account. $157 million of these U.S. dollar bonds were purchased in connection with the management of Canada's foreign exchange reserves. Bank of Canada holdings of Treasury bills declined during the year by $200 million while its holdings of other securities increased by $201 million, leaving total holdings of Government of Canada securities virtually unchanged at the end of the year.

Provincial and Municipal Governments

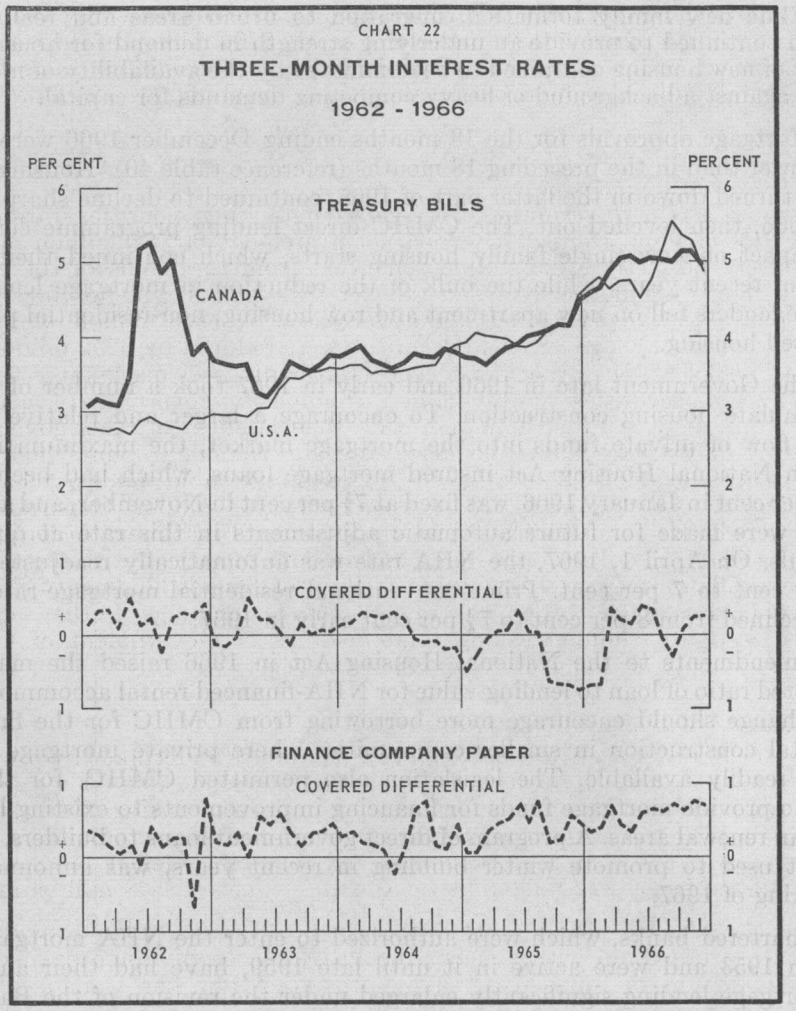
Major capital expenditure and lending programmes undertaken by provincial and municipal agencies and enterprises were largely responsible for a significant increase in provincial and municipal cash requirements during the past year. Also contributing to heavier demands for outside sources of funds was a 50 per cent increase in the combined provincial and municipal deficit on a national accounts basis, from $322 million in 1965 to an estimated $558 million in 1966.

The Canada Pension Plan and the Quebec Pension Plan provided the provincial governments with a new substantial source of funds during 1966. The total amount of funds received by provinces from the Canada Pension Plan in 1966 was about $462 million. Quebec Pension Plan receipts available for investment through the Quebec Deposit and Investment Fund amounted to about $170 million. A high proportion of these receipts was invested in direct and guaranteed marketable securities of the province and its municipalities.

Notwithstanding the funds made available to provinces and municipalities through the Canada and Quebec pension plans, net new borrowing from other sources was at a substantially higher level than in 1965. In particular, net new issues of provincial and municipal direct and guaranteed marketable securities totalled $1,265 million[2] in 1966 compared with $944 million in 1965. Net new issues in currencies other than Canadian dollars amounted to $427 million of the total net new marketable issues of this sector in 1966 compared with $270 million in 1965.

(1) Institutions, corporations, and individuals (including non-residents).

(2) This figure overstates provincial borrowing to the extent that receipts of the Quebec Pension Plan were invested in these marketable securities. Net purchases of these marketable securities were also made by provincial accounts of other provinces.



Mortgage Market

Mortgage market conditions in 1966 were dominated by the general tightening in credit conditions. From mid-1965 to mid-1966 the rate of growth of assets of deposit-taking mortgage-lending institutions and life insurance companies slackened. This process was reversed, however, in the second half of 1966. By the end of the year mortgage lending institutions had worked off their over-commitments with respect to mortgages, and had achieved a more liquid and flexible position than earlier in the year.

Interest rates on conventional mortgages rose sharply in Canada and the United States over the 18-month period ending December 1966—in Canada, from $6\frac{3}{4}$ per cent to 8 per cent on prime urban residential property. Loan-to-value ratios and other private mortgage loan criteria were toughened during this period of tightness in the mortgage markets.

While new family formation, migration to urban areas and real income growth continued to provide an underlying strength in demand for housing, the supply of new housing continued to be dominated by the availability of mortgage funds, against a background of heavy competing demands for capital.

Mortgage approvals for the 18 months ending December 1966 were 27 per cent lower than in the preceding 18 months (reference table 40). Housing starts, which turned down in the latter part of 1965, continued to decline sharply until late 1966, then levelled out. The CMHC direct lending programme cushioned the impact on new single family housing starts, which continued their stable trend of recent years, while the bulk of the reduction in mortgage lending by private lenders fell on new apartment and row housing, non-residential property and used housing.

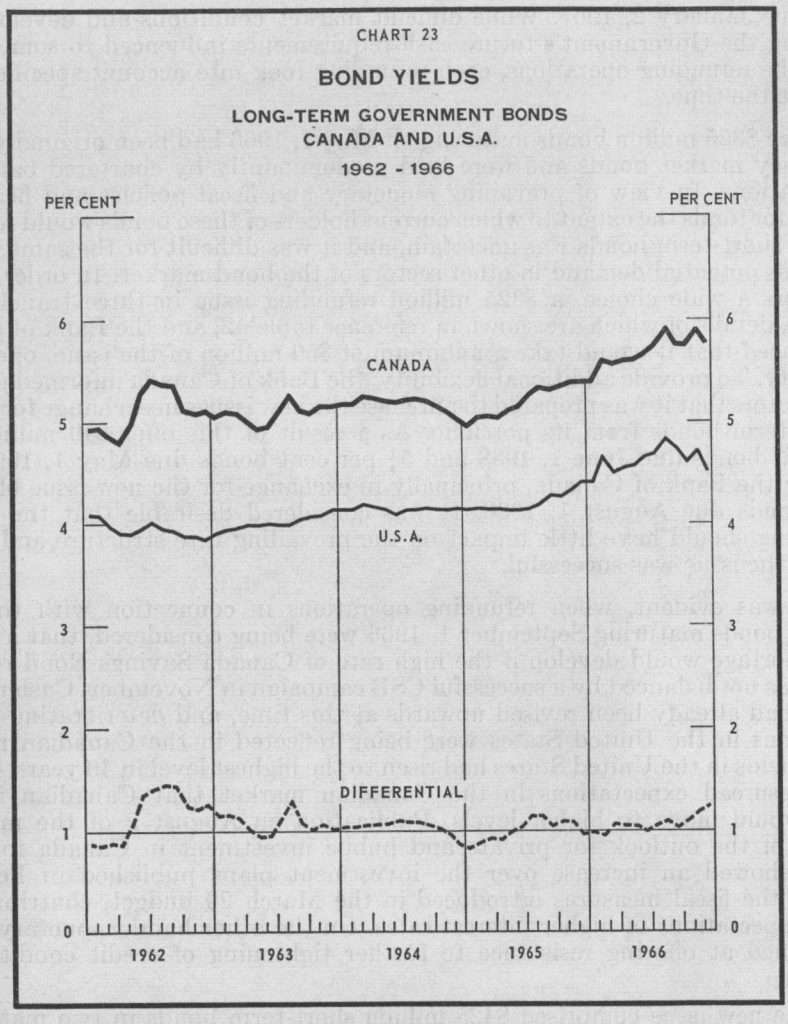
The Government late in 1966 and early in 1967 took a number of actions to stimulate housing construction. To encourage a larger and relatively more stable flow of private funds into the mortgage market, the maximum interest rate on National Housing Act insured mortgage loans, which had been raised to 6¾ per cent in January 1966, was fixed at 7¼ per cent in November, and arrangements were made for future automatic adjustments in this rate at quarterly intervals. On April 1, 1967, the NHA rate was automatically readjusted from 7¼ per cent to 7 per cent. Prime conventional residential mortgage rates have also declined from 8 per cent to 7¾ per cent early in 1967.

Amendments to the National Housing Act in 1966 raised the maximum permitted ratio of loan to lending value for NHA-financed rental accommodation. This change should encourage more borrowing from CMHC for the financing of rental construction in smaller communities where private mortgage money is not readily available. The legislation also permitted CMHC, for the first time, to provide mortgage funds for financing improvements to existing housing in urban renewal areas. A program of direct government loans to builders, similar to that used to promote winter building in recent years, was announced for the spring of 1967.

Chartered banks, which were authorized to enter the NHA mortgage-loan field in 1953 and were active in it until late 1959, have had their authority for mortgage lending significantly enlarged under the revision of the Bank Act passed in March 1967. The new Act allows the banks to make NHA mortgage loans at whatever interest rate is prescribed by the housing act and admits the banks to the conventional lending field for the first time.

Consumer Credit

The rate of growth in consumer credit slowed during late 1965, and continued at a slower pace through most of 1966. In the first nine months of 1966 consumer credit rose 5.6 per cent compared to 9.5 per cent in the corresponding period of the previous year. This occurred while personal incomes after taxes and personal spending on non-durable goods and services were increasing at substantial rates. However, the rate of growth of personal spending on automobiles and household durables, which are predominantly bought 'on time', slowed from 11.4 per cent in 1965 to 4.2 per cent in 1966. Individuals in Canada, as in the United States, appear to have reduced the rate at which they added to their financial assets during 1966.



Federal Government Debt Management

Government of Canada direct and guaranteed marketable securities maturing in the fiscal year 1966–67, excluding regular issues of three-month and six-month Treasury bills, amounted to $1,275 million, or nearly $500 million less than in the previous fiscal year. On the other hand, the cash requirements of the federal government were substantial in fiscal 1966–67. The economic and financial situation has been described above. Debt management operations were designed as far as possible to support fiscal and monetary policies in their response to current developments at home and abroad.

There were three maturity dates for Government of Canada direct marketable bonds and one maturity date for guaranteed marketable bonds during fiscal 1966-67. As shown in reference table 42, $325 million 3½ per cent bonds were due May 1, 1966, $450 million 3 per cent and 3¾ per cent bonds were due September 1, 1966, $450 million 4 per cent and 4½ per cent bonds were due December 15, 1966 and $50 million 2¾ per cent Canadian National Railways Company bonds

were due January 2, 1967. While difficult market conditions and developments affecting the Government's future cash requirements influenced to some degree all of the refunding operations, each refunding took into account specific conditions at the time.

The $325 million bonds maturing on May 1, 1966 had been originally issued as money market bonds and were held predominantly by chartered banks and corporations. In view of prevailing monetary and fiscal policies and heavy demands for funds the extent to which current holders of these bonds would re-invest in new short-term bonds was uncertain, and it was difficult for the same reasons to assess potential demand in other sectors of the bond market. In order to give investors a wide choice, a $325 million refunding issue in three tranches was offered, details of which are shown in reference table 42, and the Bank of Canada announced that it would take a minimum of $50 million of the issue, open as to maturity. To provide additional flexibility, the Bank of Canada informed primary distributors that it was prepared to purchase the new issues in exchange for certain longer-term bonds from its portfolio. As a result of this offer $49 million of 5 per cent bonds due June 1, 1988 and 5¼ per cent bonds due May 1, 1990 were sold by the Bank of Canada, principally in exchange for the new issue of 5½ per cent bonds due August 1, 1980. It was considered desirable that the May 1 refunding should have little impact on the prevailing rate structure and in this regard the issue was successful.

It was evident, when refunding operations in connection with the $450 million bonds maturing September 1, 1966 were being considered, that a serious cash shortage would develop if the high rate of Canada Savings Bond redemptions was not balanced by a successful CSB campaign in November. Cash requirements had already been revised upwards at this time, and deteriorating market conditions in the United States were being reflected in the Canadian market. Bond yields in the United States had risen to the highest level in 40 years, leading to widespread expectations in the Canadian market that Canadian interest rates would move to higher levels. Publication on August 2 of the mid-year review of the outlook for private and public investment in Canada for 1966, which showed an increase over the investment plans published in February despite the fiscal measures introduced in the March 29 budget, contributed to these expectations of higher interest rates. On the other hand, monetary policy was aimed at offering resistance to further tightening of credit conditions in Canada.

The new issue comprised $425 million short-term bonds in two maturities, of which the Bank of Canada agreed to purchase a minimum of $150 million, and $75 million new 5¾ per cent bonds due September 1, 1992, of which the Bank agreed to acquire $25 million. The Bank held $115 million of the maturing bonds. The new issues were priced close to the market in an effort to avoid disturbing prevailing yields. After the new issues had been priced a series of events in the U.S. bond market, including prime lending rate increases by major U.S. commercial banks and an increase in reserve requirements on time deposits, sparked a sharp deterioration in U.S. bond prices, which had an immediate impact upon bond prices in Canada. In these circumstances, the Bank of Canada, with the objective of resisting an excessive increase in Canadian interest rates, provided strong support to the bond market and bought substantially more of the new issues than the $175 million minimum undertaken at the time of issue. Despite these support operations interest rates in Canada rose significantly. The cash effects on the banking system of the Bank's support were largely offset by reversing temporary purchases of U.S. dollars from the Exchange Fund Account which had been bought by the Bank of Canada in earlier monetary operations.

The Canada Savings Bond campaign was planned at a time of heavy CSB redemptions, rising interest rates and extremely competitive and difficult market conditions. In order to stem the pace of redemptions and raise net new cash, an attractive instrument coupled with an aggressive sales campaign was necessary. It was assumed in these circumstances that there would be a substantial increase in redemptions of past issues to take advantage of a more attractive instrument. The Centennial Series, the most attractive Canada Savings Bond ever offered, averaged 5.48 per cent in yield if held to maturity. The incorporation of a new compound interest feature allowed the investor to double his money over a period of 13 years if all the interest coupons were held until the maturity date of the bond. The issue was highly successful and about $2.25 billion gross sales were recorded by December 31, 1966. A net borrowing of about $286 million from the sale of Canada Savings Bonds is anticipated for the fiscal year as a whole. Falling interest rates and changing market conditions helped to improve the attractiveness of the new Canada Savings Bonds and gross sales are continuing at a high level.

Growing evidence of moderating demand pressures and easier monetary conditions brought about a significant change in interest rate expectations during the last quarter of 1966. Market conditions were particularly buoyant in October and the Bank of Canada in its open-market operations was able to offer longer-term securities from its portfolio in exchange for bonds due December 15, 1966. The improved market conditions and the size of Bank of Canada and chartered bank holdings of the maturing issues promised to facilitate December 15 refunding operations. Despite the successful savings bond campaign in November it was recognized that government cash requirements would be substantial in the coming year and that for this reason cash balances should be maintained at a relatively high level.

A new technique was introduced in connection with the December 15 refunding to permit greater flexibility in debt management operations. The amount of the new issue was stated to be $500 million "or thereabouts", on the understanding that the variation in the amount of the issue would be confined to competitive subscriptions and would not exceed 10 per cent of that part of the issue subject to competitive bids. The December 15 issue comprised $100 million 5¾ per cent September 1, 1992 bonds, offered firm, and $400 million or thereabouts, open as to maturity, of new 5½ per cent bonds due January 15, 1968 and new 5¾ per cent bonds due December 15, 1970. The Bank of Canada undertook in advance to acquire a minimum of $40 million long-term bonds, a minimum of $35 million thirteen-month bonds and a minimum of $175 million of the 4-year bonds. As shown in reference table 42, $425 million of the short-term bonds and $100 million long-term bonds were issued, raising $25 million in new cash after allowing for repayment of the $50 million 2¾ per cent CNR bonds due January 2, 1967. In order to offer alternative maturities to corporate investors, the Bank of Canada offered to purchase up to $35 million of the new 5½ per cent January 15, 1968 bonds in exchange for up to $15 million of its portfolio holdings of the 4¼ per cent bonds due June 1, 1967 and up to $20 million of the 4¼ per cent bonds due January 15, 1968.

An appropriate opportunity to raise new cash was available on February 1, 1967, since the next maturity date for Government of Canada bonds was not until April 1, 1967. Conditions in the bond market, characterized by evidence of excellent institutional response to new bond issues and widespread expectations of a continuing decline in interest rates, were favourable to a new Government of Canada bond issue at that time. A three-pronged $150 million bond

issue comprising 5½ per cent bonds due October 1, 1975, 5½ per cent bonds due August 1, 1980 and 5¾ per cent bonds due September 1, 1992, open as to maturity, was floated. The Bank of Canada undertook to acquire a minimum of $50 million of the new issue. In addition, $100 million of 303-day Treasury bills, of particular interest to chartered banks, were auctioned on January 31, 1967. As a result of this financing $250 million new cash was raised. The new bonds quickly moved to premium over issue price reflecting market expectations of lower interest rates.

During the fiscal year as a whole, $715 million new cash was raised through the issue of new marketable securities and net sales of Canada Savings Bonds, and $1,275 million marketable bonds were refunded. The introduction of innovations and new techniques helped to achieve these objectives. Six of the twelve different maturities issued on May 1, 1966, September 1, 1966, December 15, 1966 and February 1, 1967, were additions to existing issues. The new 5¾ per cent September 1, 1992 bonds and additions to the 5½ per cent August 1, 1980 bonds helped to maintain the average term to maturity of Government of Canada marketable securities in the hands of the public at about 10 years.

INDEX TO REFERENCE TABLES

Reference Table Number	Title	Page
1	National Income and Gross National Product, quarterly, 1965 and 1966	955
2	Gross National Expenditure, quarterly, 1965 and 1966	956
3	Gross National Expenditure in Constant (1957) Dollars, quarterly, 1965 and 1966	957
4	Contribution of GNE components to total change—3 postwar expansions	958
5	Private and Public Investment—Reconciliation with National Accounts, 1957 to 1967	959
6	Investment as a percentage of GNE, annual, 1948 to 1966	959
7	Changes in Manufacturers' Inventories, Shipments and Orders, quarterly, 1965 and 1966	959
8	Labour Force, Canada, annual, 1959 to 1966	960
9	Employment, Canada, annual, 1959 to 1966, and year-to-year percentage change	960
10	Labour Force, Employment and Unemployment by Regions, 1966	961
11	Unemployment Rates by Region, annual, 1959 to 1966	961
12	Labour Income, Employment and Average Income, 1964 to 1966	961
13	Corporation Profits before Taxes, by Industry, quarterly, 1965 and 1966	962
14	Percentage changes in Real Domestic Product, annual, 1963 to 1966	963
15	Percentage changes in Employment by Industrial Division, annual, 1963 to 1966	963
16	Percentage changes in Output per Employee, annual, 1963 to 1966	964
17	Earnings and Output, annual, 1963 to 1966	964
18	Consumer Price Index, annual, 1961 to 1966	965
19	Percentage changes in Consumer Price Index, 1961 to 1966	965
20	Implicit Price Indexes, GNE and components, quarterly, 1963 to 1966	966
21	Government Transactions on a National Accounts Basis, 1963 to 1966	967

22 Federal Government Revenues and Expenditures, Public Accounts and National Accounts Reconciliation, 1964 to 1966 969

23 Summary of Balance of Payments, annual and quarterly, 1961 to 1966 971

24 International Payments: Current Account, annual, 1958 to 1966 972

25 Balance of Payments: Current Account, quarterly, 1965 and 1966 973

26 Balance on Travel Account, All Countries, annual, 1953 to 1966 974

27 Geographical Distribution of Merchandise Balances, 1965 and 1966 974

28 Merchandise and Non-Merchandise Balances, annual, 1946 to 1966 975

29 International Payments: Capital Movements, annual, 1961 to 1966 976

30 New Issues of Canadian Bonds sold to United States Residents, quarterly, 1965 and 1966 977

31 Financing of Canada's Bilateral Account with the United States, annual, 1962 to 1966 977

32 Official Holdings of Gold and Foreign Exchange, monthly, 1965 to 1967 978

33 International Monetary Fund Holdings of Canadian Dollars, 1966 978

34 Net Changes in Securities and Bank Loans Outstanding, annual, 1963 to 1966 979

35 Assets of Deposit-Accepting Institutions, quarterly, 1964 to 1966 980

36 Liabilities of Deposit-Accepting Institutions, quarterly, 1964 to 1966 981

37 Assets of Deposit-Accepting Institutions, Percentage Distribution 982

38 Liabilities of Deposit-Accepting Institutions, Percentage Distribution 983

39 Representative Interest Rates, quarterly, 1965 to 1967 984

40 Gross Mortgage Loan Commitments by CMHC and Private Institutions, annual, 1961 to 1966 985

41 Consumer Credit Outstanding, quarterly, 1965 and 1966 985

42 New Issues and Retirements of Marketable Bonds, Government of Canada, 1966 and 1967 986

REFERENCE TABLE 1

NATIONAL INCOME AND GROSS NATIONAL PRODUCT

(Seasonally adjusted at annual rates)

	1965				1966			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Millions of dollars)							
Wages, salaries, and supplementary labour income	25,008	25,600	26,344	27,180	28,332	28,960	29,592	30,412
Military pay and allowances	596	592	600	560	684	568	588	644
Corporation profits before taxes	5,040	5,112	5,344	5,300	5,292	5,272	4,896	5,288
Deduct: Dividends paid to non-residents[1]	−700	−788	−772	−744	−760	−780	−780	−944
Rent, interest, and miscellaneous investment income	3,384	3,516	3,516	3,800	3,772	3,932	3,828	4,080
Accrued net income of farm operators from farm production[2]	1,564	1,496	1,780	1,740	2,184	2,244	2,252	2,136
Net income of non-farm unincorporated business[3]	2,736	2,872	2,980	2,920	2,936	2,852	3,000	3,008
Inventory valuation adjustment	−188	−308	−340	−464	−488	−232	−340	−212
National Income	**37,440**	**38,092**	**39,452**	**40,292**	**41,952**	**42,816**	**43,036**	**44,412**
Indirect taxes less subsidies	6,924	7,128	7,320	7,316	7,772	7,844	7,976	7,608
Capital consumption allowances and miscellaneous valuation adjustments	5,944	6,092	6,128	6,276	6,428	6,644	6,536	6,756
Residual error of estimate	−68	96	−36	40	240	316	420	368
Gross National Product at Market Prices	**50,240**	**51,408**	**52,864**	**53,924**	**56,392**	**57,620**	**57,968**	**59,144**
(Gross national product at market prices excluding accrued net income of farm operators)	(48,676)	(49,912)	(51,084)	(52,184)	(54,208)	(55,376)	(55,716)	(57,008)

[1] Includes the withholding tax applicable to this item.

[2] Includes an arbitrary smoothing of crop production and seasonal adjustments for withdrawals of grain from farm stocks and the change in livestock items. Because of the arbitrary elements, too precise an interpretation should not be given the seasonally adjusted figures of accrued net income of farm operators

[3] Includes net income of independent professional practitioners.

SOURCE: DBS *The National Accounts, Income and Expenditure*, Quarterly, Cat. 13-001.

REFERENCE TABLE 2

GROSS NATIONAL EXPENDITURE

(Seasonally adjusted at annual rates)

——	1965				1966			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Millions of dollars)							
Personal expenditure on consumer goods and services	30,748	31,644	32,520	33,340	33,956	34,112	35,304	35,988
Government expenditure on goods and services	9,248	9,540	9,660	9,936	10,592	10,872	11,648	11,564
Business gross fixed capital formation[1]	9,848	10,172	11,000	11,584	12,016	12,324	12,000	12,516
New residential construction	2,052	2,136	2,144	2,164	2,220	2,336	2,096	2,060
New non-residential construction	3,816	3,728	4,148	4,404	4,788	4,832	4,628	4,996
New machinery and equipment	3,980	4,308	4,708	5,016	5,008	5,156	5,276	5,460
Value of physical change in inventories—total[2]	1,288	1,168	728	608	988	1,668	588	736
Non-farm business inventories	1,108	980	836	696	792	1,392	564	580
Farm inventories and grain in commercial channels	180	188	−108	−88	196	276	24	156
Exports of goods and services	10,624	10,972	11,316	11,712	12,516	12,572	13,096	13,292
Imports of goods and services	−11,588	−11,992	−12,392	−13,216	−13,436	−13,616	−14,248	−14,580
Residual error of estimate	72	−96	32	−40	−240	−312	−420	−372
Gross National Expenditure at Market Prices	**50,240**	**51,408**	**52,864**	**53,924**	**56,392**	**57,620**	**57,968**	**59,144**

[1] Includes private businesses and institutions, and publicly owned business enterprises.

[2] The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment.

SOURCE: DBS *The National Accounts.*

27053—61

REFERENCE TABLE 3

GROSS NATIONAL EXPENDITURE IN CONSTANT (1957) DOLLARS

(Seasonally adjusted at annual rates)

——	1965				1966			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Millions of dollars)							
Personal expenditure on consumer goods and services	27,564	28,144	28,808	29,332	29,484	29,292	30,240	30,552
Government expenditure on goods and services	7,380	7,544	7,676	7,684	7,924	8,148	8,600	8,328
Business gross fixed capital formation	7,956	8,156	8,828	9,196	9,416	9,560	9,248	9,496
New residential construction	1,616	1,656	1,656	1,648	1,664	1,736	1,540	1,480
New non-residential construction	3,096	2,968	3,284	3,436	3,684	3,664	3,472	3,692
New machinery and equipment	3,244	3,532	3,888	4,112	4,068	4,160	4,236	4,324
Value of physical change in inventories—total	1,252	1,156	720	624	1,004	1,564	528	672
Non-farm business inventories	1,080	944	804	668	788	1,280	496	544
Farm inventories and grain in commercial channels	172	212	−84	−44	216	284	32	128
Exports of goods and services	9,644	9,908	10,112	10,428	11,052	11,008	11,232	11,424
Imports of goods and services	−10,156	−10,540	−10,828	−11,476	−11,632	−11,744	−12,216	−12,372
Residual error of estimate	64	−80	28	−32	−200	−252	−340	−296
Gross National Expenditure in Constant (1957) Dollars	**43,704**	**44,288**	**45,344**	**45,756**	**47,048**	**47,576**	**47,292**	**47,804**

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 4

CONTRIBUTION OF GNE COMPONENTS TO TOTAL CHANGE IN GNE OVER THREE POSTWAR EXPANSIONS

—	2Q 1954 to 4Q 1956 (10 quarters after 2Q 1954 trough)	1Q 1958 to 1Q 1960 (8 quarters after 1Q 1958 trough)	1Q 1961 to 4Q 1966 (23 quarters after 1Q 1961 trough)
	(Per cent)		
Personal expenditure on goods and services	43.6	48.9	52.2
Non-durables	18.8	17.6	24.2
Durables	7.0	4.8	7.4
Services	17.8	26.5	20.6
Government expenditure on goods and services	15.6	15.5	19.7
Federal	4.7	−1.5	5.8
Provincial-Municipal	10.9	17.0	13.9
Business gross fixed capital formation	31.6	0.1	26.0
New residential construction	3.7	−0.7	2.8
New non-residential construction	16.1	−4.9	10.6
New machinery and equipment	11.8	5.7	12.6
Non-farm business inventories	15.1	33.8	1.2
Farm inventories and grain in commercial channels	7.4	3.6	2.1
Exports of goods and services	17.6	19.9	25.7
Imports of goods and services (−)	−31.0	−21.8	−26.9
Gross National Expenditure (ex. error)	100.0	100.0	100.0

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 5

PRIVATE AND PUBLIC CAPITAL EXPENDITURE RECONCILIATION WITH NATIONAL ACCOUNTS INVESTMENT

	1957	1963	1964	1965	1966	1967
	(Millions of dollars)					
Private and Public Capital Expenditure Table 1	8,717	9,393	10,944	12,865	14,897	15,103
Deduct:						
New residential construction by governments	21	6	7	9	3	2
New non-residential construction by governments	1,251	1,609	1,618	1,958	2,356	2,533
New machinery and equipment outlays by governments	110	187	216	247	324	308
Business Gross Fixed Capital Formation—National Accounts definition, Reference table 2	7,335	7,591	9,103	10,651	12,214	12,260

SOURCE: DBS and Department of Trade and Commerce.

REFERENCE TABLE 6

INVESTMENT AS A PERCENTAGE OF GROSS NATIONAL EXPENDITURE

1948 to 1966

	Total Private and Public Investment	Housing and Social Capital[1]	Business Investment Private and Public[2]
1948	20.4	7.8	12.6
1949	21.7	8.7	13.0
1950	21.9	8.9	13.0
1951	22.4	8.6	13.8
1952	22.9	9.0	13.9
1953	23.9	9.4	14.5
1954	23.0	9.6	13.4
1955	23.0	9.8	13.2
1956	26.3	9.9	16.4
1957	27.3	9.6	17.7
1958	25.4	10.6	14.8
1959	24.1	10.4	13.7
1960	22.8	9.3	13.4
1961	21.8	9.1	12.7
1962	21.5	9.2	12.3
1963	21.6	9.1	12.6
1964	23.1	9.1	14.0
1965	24.7	9.5	15.2
1966	25.8	9.5	16.3

[1]Includes housing, outlays by government departments, institutions and municipal waterworks.
[2]Includes government business enterprises.

REFERENCE TABLE 7

CHANGE IN MANUFACTURERS' INVENTORIES, SHIPMENTS AND ORDERS

(Seasonally adjusted)

—	1965				1966			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q[1]
	(Per cent)							
Inventories held:								
Raw materials	1.6	2.1	2.8	2.8	2.7	1.5	2.7	1.1
Goods in process	2.2	2.7	1.5	5.8	4.2	2.8	3.2	4.6
Finished products	1.4	0.5	1.9	1.2	1.0	3.7	2.9	2.6
Inventories owned	1.8	2.3	2.2	3.3	3.1	2.6	2.7	2.3
Shipments	1.4	2.9	0.7	5.7	2.6	−0.8	−1.5	4.1
Unfilled orders	4.5	4.9	3.2	6.7	1.4	4.8	2.7	2.2

[1]Estimated.

SOURCE: DBS *Inventories, Shipments and Orders in Manufacturing Industries*, Cat. 31-001.

27053—61½

REFERENCE TABLE 8

LABOUR FORCE, CANADA
1959 to 1966

—	1959	1960	1961	1962	1963	1964	1965	1966
	(Thousands of persons)							
Total labour force	6,242	6,411	6,521	6,615	6,748	6,933	7,141	7,420
Agricultural	712	697	698	675	662	641	602	551
Non-agricultural	5,530	5,714	5,823	5,940	6,086	6,292	6,540	6,869
Men	4,687	4,754	4,782	4,819	4,879	4,961	5,065	5,193
Women	1,554	1,657	1,739	1,797	1,870	1,972	2,076	2,227
Age 14 to 19 years	603	627	630	648	672	700	738	778
	Year to year change (Per cent)							
Total labour force	..	2.7	1.7	1.4	2.0	2.7	3.0	3.9
Agricultural	..	−2.1	0.1	−3.3	−1.9	−3.2	−6.1	−8.5
Non-agricultural	..	3.3	1.9	2.0	2.5	3.4	3.9	5.0
Men	..	1.4	0.6	0.8	1.2	1.7	2.1	2.5
Women	..	6.6	4.9	3.3	4.1	5.5	5.3	7.3
Age 14 to 19 years	..	4.0	0.5	2.9	3.7	4.2	5.4	5.4

SOURCE: DBS *The Labour Force*, Cat. 71-001.

REFERENCE TABLE 9

EMPLOYMENT, CANADA
1959 to 1966

—	1959	1960	1961	1962	1963	1964	1965	1966
	(Thousands of persons)							
Total employment	5,870	5,965	6,055	6,225	6,375	6,609	6,862	7,152
Agricultural	700	683	681	660	649	630	594	543
Non-agricultural	5,170	5,282	5,374	5,565	5,726	5,979	6,268	6,609
Men	4,363	4,368	4,381	4,488	4,567	4,698	4,842	4,983
Women	1,507	1,597	1,674	1,737	1,808	1,911	2,020	2,169
Age 14 to 19 years	536	545	548	573	596	628	673	714
	Year to year change (Per cent)							
Total employment	..	1.6	1.5	2.8	2.4	3.7	3.8	4.2
Agricultural	..	−2.4	−0.3	−3.1	−1.7	−2.9	−5.7	−8.6
Non-agricultural	..	2.2	1.7	3.6	2.9	4.4	4.8	5.4
Men	..	0.1	0.3	2.4	1.8	2.9	3.1	2.9
Women	..	6.0	4.8	3.8	4.1	5.7	5.7	7.4
Age 14 to 19 years	..	1.7	0.6	4.6	4.0	5.4	7.2	6.1

SOURCE: DBS *The Labour Force*.

REFERENCE TABLE 10

LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT BY REGIONS

1966

—	Atlantic	Quebec	Ontario	Prairie	British Columbia
	(Thousands of persons)				
Labour force	626	2,116	2,719	1,248	710
Employed	586	2,016	2,651	1,222	678
Unemployed	40	100	69	26	32
	(Per cent)				
Unemployment rate	6.5	4.8	2.5	2.1	4.6
Growth in labour force	2.5	4.6	4.0	1.6	6.6
Growth in employment	3.5	5.4	4.0	2.2	6.1
Growth in non-agricultural employment	3.9	6.3	4.7	6.2	5.7

SOURCE: DBS *The Labour Force.*

REFERENCE TABLE 11

UNEMPLOYMENT RATES BY REGION

1959 to 1966

(Unemployed as a per cent of the Labour Force)

Region	1959	1960	1961	1962	1963	1964	1965	1966
	(Per cent)							
Atlantic	10.9	10.7	11.2	10.7	9.5	7.8	7.5	6.5
Quebec	7.8	9.1	9.2	7.5	7.5	6.4	5.5	4.8
Ontario	4.5	5.4	5.5	4.3	3.8	3.2	2.6	2.5
Prairie	3.2	4.2	4.6	3.9	3.7	3.1	2.6	2.1
British Columbia	6.5	8.5	8.5	6.6	6.4	5.3	4.2	4.6
Canada	6.0	7.0	7.1	5.9	5.5	4.7	3.9	3.6

SOURCE: DBS *The Labour Force.*

REFERENCE TABLE 12

LABOUR INCOME, EMPLOYMENT AND AVERAGE INCOME

1964 to 1966

Selected Industries

—	Per cent increase in					
	Labour income		Employment		Average income per employee	
	1965/1964	1966/1965	1965/1964	1966/1965	1965/1964	1966/1965
Mining	13.0	8.7	6.4	1.8	6.2	6.8
Manufacturing (total)	10.3	11.4	5.5	5.4	4.5	5.7
Construction	24.0	24.7	13.1	10.8	9.6	12.5
Transportation, communication and water utilities[1]	8.7	8.4	2.4	2.7	6.2	5.6
Trade	10.6	11.0	5.7	6.7	4.6	4.0
Finance, insurance, etc.	8.4	8.5	4.2	3.3	4.0	5.0
Service	13.4	13.8	9.8	10.5	3.3	3.0
Composite	11.3	12.2	5.6	5.6	5.4	6.3

[1]Includes storage, electric power, gas and water utilities.

SOURCE: DBS *Employment, Average Weekly Wages and Salaries*, monthly, Cat. 72-002, and *Estimates of Labour Income*, monthly, Cat. 72-005.

REFERENCE TABLE 13

CORPORATION PROFITS BEFORE TAXES, BY INDUSTRY, 1965 and 1966

(Seasonally adjusted, quarterly)

	1965					1966				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
	(Millions of dollars)									
Mines, quarries and oil wells	142	153	155	152	602	151	157	142	120	570
Manufacturing industries:										
Food and beverage industries	93	93	92	92	370	98	87	92	89	366
Rubber industries	7	7	8	10	32	9	8	9	8	34
Textile industries	22	21	23	20	86	24	14	15	12	65
Wood industries	27	25	32	35	119	43	33	25	27	128
Paper and allied industries	65	62	58	50	235	38	54	39	49	180
Printing, publishing and allied industries	23	24	21	20	88	24	21	24	26	95
Primary metal industries Metal fabricating industries Machinery industries Transportation equipment industries	194	189	203	192	778	199	193	148	179	719
Electrical products industries	28	24	28	31	111	30	30	22	35	117
Non-metallic mineral products industries	20	27	25	24	96	21	22	28	18	89
Petroleum and coal products industries	31	35	35	30	131	37	45	39	43	164
Chemical and chemical products industries	51	56	57	56	220	65	58	58	50	231
Other manufacturing industries[1]	26	26	25	28	105	30	28	28	39	125
Totals, manufacturing industries	587	589	607	588	2,371	618	593	527	575	2,313
Transportation Storage Communication	121	127	132	156	536	120	145	133	186	584
Electric power, gas and water utilities	22	21	24	25	92	23	23	23	25	94
Wholesale trade	89	93	92	104	378	116	102	95	106	419
Retail trade	72	77	86	77	312	77	66	82	72	297
Finance, insurance and real estate	167	159	175	159	660	153	159	158	173	643
Service industries	37	36	41	38	152	49	48	39	40	176
Other non-manufacturing[2]	23	23	24	26	96	16	25	25	25	91
Totals, all industries	1,260	1,278	1,336	1,325	5,199	1,323	1,318	1,224	1,322	5,187

[1] Includes tobacco, leather and miscellaneous manufacturing industries.

[2] Includes agriculture, forestry, fishing and construction.

SOURCE: DBS *Corporation Profits*, Quarterly, Cat. 61-003.

REFERENCE TABLE 14

CHANGES IN REAL DOMESTIC PRODUCT

Annual
1963 to 1966

	1963	1964	1965	1966
	(Per cent change from previous year)			
Real domestic product, less agriculture	5.3	7.2	6.9	6.3
Mining, total	4.5	8.8	5.5	6.7
Manufacturing, total	7.0	9.3	8.6	7.3
Non-durables	6.2	8.4	6.1	7.2
Durables	8.1	10.3	11.5	7.4
Construction	1.6	9.7	10.9	7.0
Transportation, storage and communication	7.1	9.0	7.4	8.1
Trade, total	3.8	6.1	7.5	4.4
Wholesale	3.8	8.6	10.1	3.7
Retail	3.8	4.7	6.1	4.7
Finance, insurance and real estate	6.3	4.4	4.4	5.3
Services	4.3	3.6	4.6	4.3
Commercial industries, less agriculture	5.6	7.6	7.4	6.7

SOURCE: DBS *Index of Industrial Production*, monthly, Cat. 61-005.

REFERENCE TABLE 15

CHANGES IN EMPLOYMENT BY INDUSTRIAL DIVISION

Annual
1963 to 1966

—	1963	1964	1965	1966
	(Per cent change from previous year)			
Mining	−1.5	0.9	6.4	1.8
Manufacturing, total	2.2	4.7	5.5	5.4
Non-durables	1.3	3.1	3.3	3.8
Durables	3.4	6.6	8.0	7.1
Construction	−0.9	4.9	13.1	10.8
Transportation, storage and communication	0.7	1.4	2.4	2.7
Trade, total	2.3	4.4	5.7	6.7
Wholesale	1.3	2.9	5.0	6.1
Retail	2.7	5.0	6.0	7.3
Finance, insurance and real estate	4.3	4.0	4.2	3.3
Services	4.3	8.1	9.8	10.5
Industrial composite	2.2	3.6	5.6	5.6

SOURCE: DBS *Employment, Average Weekly Wages and Salaries.*

REFERENCE TABLE 16

CHANGES IN OUTPUT PER EMPLOYEE

Annual
1963 to 1966

—	1963	1964	1965	1966
	(Per cent change)			
Mining, total	6.1	7.8	−0.8	4.8
Manufacturing, total	4.7	4.4	2.9	1.8
Non-durables	4.8	5.1	2.7	3.3
Durables	4.5	3.5	3.2	0.3
Construction	2.5	4.6	−1.9	−3.4
Transportation, storage and communication	6.4	7.5	4.9	5.3
Trade, total	1.5	1.6	1.7	−2.2
Wholesale	2.5	5.5	4.9	−2.3
Retail	1.1	−0.3	0.1	−2.4
Finance, insurance and real estate	1.9	0.4	0.2	1.9
Services	—	−4.2	−4.7	−5.6
Commercial industries, less agriculture	3.3	3.9	1.7	1.0

SOURCE: Reference tables 14 and 15.

REFERENCE TABLE 17

EARNINGS AND OUTPUT

Annual
1963 to 1966

—	1963	1964	1965	1966
	(Per cent change from previous year)			
Wages and salaries per worker				
Non-farm	4.4	5.4	5.9	6.3
Manufacturing	3.8	4.0	4.5	5.7
Output per worker				
Non-farm	3.3	3.9	1.7	1.0
Manufacturing	4.7	4.4	2.9	1.8
Wages and salaries per unit of output				
Non-farm	1.0	1.5	4.1	5.2
Manufacturing	−0.8	−0.4	1.6	3.8
Corporate profits per unit of output				
Non-farm	3.8	7.0	0.5	−6.5
Manufacturing	5.2	−0.5	−1.8	−9.0

SOURCE: DBS *Estimates of Labour Income.*
DBS *Index of Industrial Production.*
DBS *Corporation Profits.*
DBS *Employment and Average Weekly Wages and Salaries.*

REFERENCE TABLE 18

CONSUMER PRICE INDEX

1961 to 1966

(1949=100)

—	1961	1962	1963	1964	1965	1966
All items	129.2	130.7	133.0	135.4	138.7	143.9
Food	124.0	126.2	130.3	132.4	135.9	144.5
Housing	133.2	134.8	136.2	138.4	140.9	144.7
Clothing	112.5	113.5	116.3	119.2	121.4	126.0
Transportation	140.6	140.4	140.4	142.0	147.3	150.8
Health and personal care	155.3	158.3	162.4	167.8	175.5	180.9
Recreation and reading	146.1	147.3	149.3	151.8	154.3	158.7
Tobacco and alcohol	116.3	117.8	118.1	120.2	122.3	125.1
All commodities	120.0	121.0	123.1	124.7	126.7	131.5
Durables	116.1	115.3	115.5	114.5	114.6	115.1
Non-durables	120.7	122.1	124.6	126.7	129.2	134.9
Non-durables excluding food	118.3	119.1	120.3	122.4	124.1	127.5
Services	155.4	157.6	159.8	163.8	170.6	176.6

SOURCE: DBS *Prices and Price Indexes.*

REFERENCE TABLE 19

CONSUMER PRICE INDEX

(1949=100)

(Year to year change)

—	1961 to 1962	1962 to 1963	1963 to 1964	1964 to 1965	1965 to 1966	Apr. 1966 to Apr. 1967
			(Per cent)			
All items	1.2	1.8	1.8	2.4	3.7	3.2
Food	1.8	3.2	1.6	2.6	6.3	0.2
Housing	1.2	1.0	1.6	1.8	2.7	4.4
Clothing	0.9	2.5	2.5	1.8	3.8	5.3
Transportation	−0.1	—	1.1	3.7	2.4	4.2
Health and personal care	1.9	2.6	3.3	4.6	3.1	6.0
Recreation and reading	0.8	1.4	1.7	1.6	2.9	4.2
Tobacco and alcohol	1.3	0.3	1.8	1.7	2.3	2.2
All commodities	0.8	1.7	1.3	1.6	3.8	2.3
Durables	−0.7	0.2	−0.9	0.1	0.4	2.4
Non-durables	1.2	2.0	1.7	2.0	4.4	2.2
Non-durables excluding food	0.7	1.0	1.7	1.4	2.7	4.1
Services	1.4	1.4	2.5	4.2	3.5	5.4

SOURCE: Reference table 18.

REFERENCE TABLE 20

IMPLICIT PRICE INDEXES

GROSS NATIONAL EXPENDITURE AND COMPONENTS

(Seasonally adjusted)

(1957=100)

—	Personal expenditure on consumer goods and services	Non-durable goods	Durable goods	Services	Government expenditure on goods and services	Business gross fixed capital formation	New residential construction	New non-residential construction	New machinery and equipment	Exports of goods and services	Imports of goods and services	Gross national expenditure
1963—												
1Q.....	108.2	106.3	101.1	113.2	116.2	112.9	114.6	111.6	113.2	107.3	111.0	109.6
2Q.....	108.5	106.5	101.0	113.7	117.5	113.8	116.0	112.7	113.6	107.4	112.1	109.9
3Q.....	109.1	107.3	101.4	114.2	118.4	115.4	116.9	114.7	115.3	107.6	113.1	110.6
4Q.....	109.4	107.7	101.3	114.6	119.6	116.5	119.6	115.5	115.8	109.1	113.7	111.2
Year...	108.8	106.9	101.2	113.9	117.9	114.7	116.8	113.7	114.5	107.9	112.5	110.3
1964—												
1Q.....	109.8	108.2	100.4	115.3	118.2	117.4	120.7	115.8	117.0	109.4	114.5	111.5
2Q.....	110.3	108.5	100.2	116.1	120.8	119.5	122.1	118.3	119.3	109.7	114.4	112.6
3Q.....	110.7	109.2	99.7	116.9	123.8	120.5	124.1	119.7	119.2	110.6	113.0	114.1
4Q.....	111.2	109.0	100.5	117.7	123.9	121.3	125.6	120.7	119.5	110.3	113.6	114.4
Year...	110.5	108.7	100.2	116.5	121.7	119.7	123.2	118.7	118.8	110.0	113.9	113.2
1965—												
1Q.....	111.6	109.4	100.1	118.4	125.3	123.8	127.0	123.3	122.7	110.2	114.1	115.0
2Q.....	112.4	110.7	100.1	119.2	126.5	124.7	129.0	125.6	122.0	110.7	113.8	116.1
3Q.....	112.9	111.3	99.7	120.2	125.8	124.6	129.5	126.3	121.1	111.9	114.4	116.6
4Q.....	113.7	112.2	99.7	121.1	129.3	126.0	131.3	128.2	122.0	112.3	115.2	117.9
Year...	112.7	110.9	99.9	119.8	126.7	124.8	129.2	125.9	121.9	111.3	114.4	116.4
1966—												
1Q.....	115.2	114.3	99.2	122.6	133.7	127.6	133.4	130.0	123.1	113.2	115.5	119.9
2Q.....	116.5	115.3	100.2	123.6	133.4	128.9	134.6	131.9	123.9	114.2	115.9	121.1
3Q.....	116.7	115.8	99.4	124.7	135.4	129.8	136.1	133.3	124.6	116.6	116.6	122.6
4Q.....	117.8	116.4	100.9	126.0	138.9	131.8	139.2	135.3	126.3	116.4	117.8	123.7
Year...	116.6	115.5	99.9	124.3	135.4	129.5	135.7	132.6	124.5	115.1	116.5	121.8

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 21

GOVERNMENT TRANSACTIONS ON A NATIONAL ACCOUNTS BASIS

—	1963	1964	1965	1966	1966[1] 1Q	1966[1] 2Q	1966[1] 3Q	1966[1] 4Q
	(Millions of dollars)							
GOVERNMENT REVENUE:								
Direct taxes—persons	2,916	3,428	3,912	4,434	4,216	4,156	4,564	4,800
Federal	2,193	2,558	2,715	2,955	2,832	2,744	3,048	3,196
Provincial and municipal	723	870	1,197	1,479	1,384	1,412	1,516	1,604
Direct taxes—corporations	1,827	1,996	2,164	2,190	2,128	2,248	2,188	2,196
Federal	1,362	1,498	1,623	1,642	1,596	1,688	1,636	1,648
Provincial	465	498	541	548	532	560	552	548
Withholding taxes								
Federal	127	140	168	203	176	204	200	232
Indirect taxes	5,911	6,695	7,482	8,277	8,148	8,208	8,344	8,408
Federal	2,451	2,847	3,247	3,577	3,524	3,556	3,596	3,632
Provincial and municipal	3,460	3,848	4,235	4,700	4,624	4,652	4,748	4,776
Investment income	1,395	1,526	1,688	1,860	1,796	1,912	1,804	1,928
Federal	510	570	618	663	612	716	608	716
Provincial and municipal	885	956	1,070	1,197	1,184	1,196	1,196	1,212
Employer and employee contributions to social insurance and government pension funds	852	912	959	1,816	1,504	1,852	1,928	1,980
Federal	534	574	602	681	624	696	700	704
Provincial and municipal	318	338	357	421	400	412	436	436
Canada Pension Plan				531	360	552	584	628
Quebec Pension Plan				183	120	192	208	212
Transfers from federal government								
Provincial and municipal	1,169	1,252	1,427	1,659	1,508	1,684	1,636	1,808
Total Revenue	**14,197**	**15,949**	**17,800**	**20,439**	**19,476**	**20,264**	**20,664**	**21,352**
Federal	7,177	8,187	8,973	9,721	9,364	9,604	9,788	10,128
Provincial and municipal	7,020	7,762	8,827	10,004	9,632	9,916	10,084	10,384
Canada Pension Plan				531	360	552	584	628
Quebec Pension Plan				183	120	192	208	212

[1]Seasonally adjusted at annual rates.

REFERENCE TABLE 21

GOVERNMENT TRANSACTIONS ON A NATIONAL ACCOUNTS BASIS (concluded)

—	1963	1964	1965	1966	1966[1] 1Q	1966[1] 2Q	1966[1] 3Q	1966[1] 4Q
	(Millions of dollars)							
GOVERNMENT EXPENDITURE:								
Goods and services	8,075	8,654	9,596	11,169	10,592	10,872	11,648	11,564
Federal—Total	2,934	3,046	3,267	3,880	3,652	3,676	3,992	4,200
—(Defence)	(1,572)	(1,584)	(1,562)	(1,713)	(1,664)	(1,612)	(1,720)	(1,856)
Provincial and municipal	5,141	5,608	6,329	7,289	6,940	7,196	7,656	7,364
Transfer payments to persons	3,848	4,133	4,502	5,006	4,692	4,904	5,084	5,344
Federal	2,133	2,239	2,316	2,478	2,392	2,452	2,520	2,548
Provincial and municipal	1,715	1,894	2,186	2,528	2,300	2,452	2,564	2,796
Interest on the public debt	1,423	1,526	1,635	1,789	1,732	1,764	1,832	1,828
Federal	935	995	1,052	1,151	1,124	1,128	1,168	1,184
Provincial and municipal	488	531	583	638	608	636	664	644
Subsidies	311	323	310	477	376	364	368	800
Federal	275	277	259	370	240	296	252	692
Provincial	36	46	51	107	136	68	116	108
Capital Assistance:								
Federal	61	82	84	59	32	88	56	60
Transfers to provincial and municipal governments:								
Federal	1,169	1,252	1,427	1,659	1,508	1,684	1,636	1,808
Total Expenditure	**14,887**	**15,970**	**17,554**	**20,159**	**18,932**	**19,676**	**20,624**	**21,404**
Federal	7,507	7,891	8,405	9,597	8,948	9,324	9,624	10,492
Provincial and municipal	7,380	8,079	9,149	10,562	9,984	10,352	11,000	10,912
Surplus (+) or deficit (−)	**−690**	**− 21**	**+246**	**+280**	**+544**	**+588**	**+ 40**	**− 52**
Federal	−330	+296	+568	+124	+416	+280	+164	−364
Provincial and municipal	−360	−317	−322	−558	−352	−436	−916	−528
Canada Pension Plan				+531	360	552	584	628
Quebec Pension Plan				+183	120	192	208	212

[1]Seasonally adjusted at annual rates.

SOURCE: DBS *The National Accounts.*

REFERENCE TABLE 22

FEDERAL GOVERNMENT REVENUES AND EXPENDITURES
PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION

—	1964–65	1965–66	1966–67	1965				1966			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Millions of dollars)										
REVENUE:											
Budgetary revenue	7,180	7,696	8,366	1,853	1,918	1,862	1,944	1,972	1,999	1,978	2,169
Supplementary period adjustment[1]	− 42	56	7	−188	188	—	—	−132	132	—	—
Extra-budgetary revenues:											
Old age security tax collections	959	1,169	1,281	278	300	272	279	318	327	294	301
Prairie Farm Assistance Act levy	10	10	11	2	1	5	2	2	2	5	2
Unemployment insurance—employer-employee contributions	311	328	340	82	74	83	84	87	78	89	89
Government pension funds—employer-employee contributions	273	301	363	68	76	77	77	71	89	89	89
Interest receipts of social insurance and government pension funds	159	181	196	43	43	45	46	47	48	51	52
Corporate income tax[2] excess (+) of accruals over collections	−128	−128	−112	− 24	−131	12	51	− 60	− 73	− 3	48
Profits before taxes (net of losses) of government business enterprises	226	242	204	36	59	55	98	30	67	45	66
Interest on loans, advances and investments	190	222	270	46	55	56	55	56	63	55	83
Less: Budgetary return on investments	−382	−488	−522	−125	−138	−120	− 93	−137	−127	− 88	−164
Less: Postal revenue	−231	−237	−256	− 59	− 57	− 49	− 73	− 58	− 59	− 51	− 81
Budgetary revenue items offset against budgetary expenditures[3]	−123	−127	−140	− 31	− 32	− 31	− 32	− 32	− 34	− 34	− 37
All other adjustments to budgetary revenue[4]	− 42	− 69	− 10	− 28	− 23	− 25	7	− 28	− 13	3	36
Total Revenue, National Accounts Basis	**8,360**	**9,156**	**9,998**	**1,953**	**2,333**	**2,242**	**2,445**	**2,136**	**2,499**	**2,433**	**2,653**

[1] In the National Accounts, revenues in the supplementary period are shifted to the following fiscal year.

[2] Taxes on government business enterprises are excluded from this item.

[3] See also footnote 3, expenditure reconciliation.

[4] These adjustments are largely revenue items not relevant for the National Accounts, such as proceeds from sales of existing assets.

REFERENCE TABLE 22

FEDERAL GOVERNMENT REVENUES AND EXPENDITURES

PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION (concluded)

	1964–65	1965–66	1966–67	1965				1966			
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	(Millions of dollars)										
EXPENDITURE:											
Budgetary expenditure	7,218	7,735	8,794	2,314	1,492	1,785	1,915	2,543	1,667	2,072	2,264
Supplementary period adjustment[1]	− 55	− 6	−116	−463	463	—	—	−469	469	—	—
Expenditures of extra-budgetary funds:											
Old age security fund payments	885	927	1,075	223	224	226	228	249	251	252	254
Unemployment insurance benefits	335	298	307	141	92	36	44	126	82	38	49
Government pension fund—payments	101	114	128	26	28	29	28	29	32	32	32
Prairie Farm Assistance payments	11	7	6	9	2	—	1	4	—	—	1
Transfers to extra-budgetary funds	− 63	− 66	− 69	− 16	−16	−17	−17	− 16	−16	−18	−18
Adjustment to place other government funds and Crown agencies on a disbursement basis[2]	17	− 16	42	99	−94	39	13	26	−73	26	33
Budgetary expenditures offset against income of government business enterprises:											
Post Office expenditures	−211	−242	−265	− 56	−54	−61	−63	− 64	−61	−60	−71
Deficits of government business enterprises	− 92	−104	− 74	− 11	−84	− 8	− 3	− 9	−50	− 6	−10
Reserves and write-offs	− 42	− 59	− 78	− 10	−32	−10	− 9	− 8	−52	−10	− 9
Budgetary revenue items offset against budgetary expenditure[3]	−123	−127	−140	− 31	−32	−31	−32	− 32	−34	−34	−37
All other adjustments to budgetary expenditure	65	119	247	− 42	75	64	1	− 21	98	98	48
Total Expenditure, National Accounts Basis	**8,046**	**8,580**	**9,857**	**2,183**	**2,064**	**2,052**	**2,106**	**2,358**	**2,313**	**2,390**	**2,536**
Surplus (+) or deficit (−), National Accounts basis	314	576	141	−230	269	190	339	−222	186	43	117
Surplus (+) or deficit (−), budgetary basis	− 38	− 39	−428	−461	426	77	29	−571	332	−94	−95
Total, National Accounts basis	8,360	9,156	9,998	1,953	2,333	2,242	2,445	2,136	2,499	2,433	2,653

[1] In the National Accounts, expenditures on goods and services in the supplementary period are split evenly between adjacent fiscal years. Most other expenditure items are shifted entirely to the next fiscal year.

[2] This adjustment replaces budgetary appropriations to various funds and agencies by the outlays actually made by these funds and agencies.

[3] The largest component of this item consists of revenue from sales of goods and services by the government. These sales appear as final expenditure of the private sector and are deducted to avoid double counting.

REFERENCE TABLE 23

SUMMARY OF BALANCE OF PAYMENTS

(not seasonally adjusted)

——	1961	1962	1963	1964	1965	1966	1965 1Q	1965 2Q	1965 3Q	1965 4Q	1966 1Q	1966 2Q	1966 3Q	1966 4Q
	(Millions of dollars)													
Merchandise trade balance	+ 173	+ 184	+ 503	+ 701	+ 118	+ 380	− 39	− 27	+161	+ 23	− 1	+ 7	+300	+ 74
Deficit on non-merchandise transactions[1]	−1,263	−1,169	−1,178	−1,270	−1,339	−1,488	−391	−367	−160	−421	−438	−366	−214	−470
Current account balance[1]	−1,090	−985	− 675	− 569	−1,221	−1,108	−430	−394	+ 1	−398	−439	−359	+ 86	−396
Gold production available for export	+ 162	+ 155	+ 154	+ 145	+ 138	+ 125	+ 35	+ 34	+ 35	+ 34	+ 34	+ 29	+ 30	+ 32
Capital movements (+ inflow) (− outflow)														
Long-term forms	+930	+688	+637	+820	+713	+949	+128	+134	+216	+235	+449	+214	+197	+ 89
Short-term forms	+288	+297	+ 30	− 33	+527	−325	+195	+227	− 26	+131	−182	− 1	−398	+256
	+290	+155	+146	+363	+157	−359	− 72	+ 1	+226	+ 2	−138	−117	− 85	−19
Change in official holdings of gold and foreign exchange (+ increase) (− decrease)	+229	+537	+ 60	+ 86	− 11	−462	−118	− 92	+144	+ 55	−166	−181	−105	− 10
Net International Monetary Fund position	+ 61	−378	+ 86	+277	+168	+103	+ 46	+ 93	+ 82	− 53	+ 28	+ 64	+ 20	− 9
	+290	+159	+146	+363	+157	−359	− 72	+ 1	+226	+ 2	−138	−117	− 85	− 19

[1] Excluding gold production available for export.

SOURCE: DBS.

REFERENCE TABLE 24

INTERNATIONAL PAYMENTS: CURRENT ACCOUNT

(Annual, 1958 to 1966)

—	1958	1959	1960	1961	1962	1963	1964	1965	1966
	(Millions of dollars)								
Current Receipts—									
Merchandise exports (adjusted)	4,890	5,151	5,392	5,889	6,387	7,082	8,238	8,745	10,270
Gold available for export	157	148	162	162	155	154	145	138	125
Travel expenditures	349	391	420	482	562	609	662	747	840
Interest and dividends	167	180	171	213	202	230	332	310	294
Freight and shipping	401	420	442	486	509	563	644	673	699
Inheritances and immigrants' funds	97	109	102	104	124	151	169	211	256
Other current receipts	391	414	447	452	484	500	557	640	738
Total Current Receipts	6,452	6,813	7,136	7,788	8,423	9,289	10,747	11,464	13,222
Current Payments—									
Merchandise imports (adjusted)	5,066	5,572	5,540	5,716	6,203	6,579	7,537	8,627	9,890
Travel expenditures	542	598	627	642	605	585	712	779	900
Interest and dividends	614	671	656	764	783	860	1,010	1,071	1,178
Freight and shipping	460	525	533	568	595	648	679	755	773
Inheritances and emigrants' funds	159	165	184	176	175	185	201	211	196
Official contributions	53	72	61	56	36	65	69	92	167
Other current payments	695	697	768	794	856	888	963	1,012	1,101
Total Current Payments	7,589	8,300	8,369	8,716	9,253	9,810	11,171	12,547	14,205
Balance on merchandise trade	− 176	− 421	− 148	+ 173	+ 184	+ 503	+ 701	+ 118	+ 380
Balance on other transactions	− 961	−1,066	−1,085	−1,101	−1,014	−1,024	−1,125	−1,201	−1,363
Current Account Balance	−1,137	−1,487	−1,233	− 928	− 830	− 521	− 424	−1,083	− 983

SOURCE: DBS.

REFERENCE TABLE 25

CURRENT ACCOUNT

(Seasonally adjusted at quarterly rates)

	Goods			Services			Total Receipts	Total Payments	Current Account Balance
	Exports	Imports	Balance	Receipts	Payments	Balance			
1965—									
1Q	2,071	2,026	+ 45	666	936	−270	2,737	2,962	−225
2Q	2,138	2,077	+ 61	680	981	−301	2,818	3,058	−240
3Q	2,203	2,163	+ 40	705	1,002	−297	2,908	3,165	−257
4Q	2,333	2,361	− 28	668	1,001	−333	3,001	3,362	−361
1966—									
1Q	2,492	2,383	+109	716	1,029	−313	3,208	3,412	−204
2Q	2,499	2,421	+ 78	732	1,041	−309	3,231	3,462	−231
3Q	2,617	2,498	+119	750	1,126	−376	3,367	3,624	−257
4Q	2,662	2,588	+ 74	754	1,119	−365	3,416	3,707	−291

SOURCE: DBS.

REFERENCE TABLE 26

BALANCE ON TRAVEL ACCOUNT

—	Receipts			Payments			Balance		
	U.S.	Rest of World	Total	U.S.	Rest of World	Total	U.S.	Rest of World	Total
	(Millions of dollars)								
1953	282	20	302	307	58	365	− 25	− 38	− 63
1954	283	22	305	320	69	389	− 37	− 47	− 84
1955	303	25	328	363	86	449	− 60	− 61	−121
1956	309	28	337	391	107	498	− 82	− 79	−161
1957	325	38	363	403	122	525	− 78	− 84	−162
1958	309	40	349	413	129	542	−104	− 89	−193
1959	351	40	391	448	150	598	− 97	−110	−207
1960	375	45	420	462	165	627	− 87	−120	−207
1961	435	47	482	459	183	642	− 24	−136	−160
1962	512	50	562	419	186	605	+ 93	−136	− 43
1963	549	60	609	388	197	585	+161	−137	+ 24
1964	590	72	662	481	231	712	+109	−159	− 50
1965	660	87	747	531	248	779	+129	−161	− 32
1966	730	110	840	631	269	900	+ 99	−159	− 60

SOURCE: DBS.

REFERENCE TABLE 27

GEOGRAPHICAL DISTRIBUTION OF MERCHANDISE AND NON-MERCHANDISE BALANCES

—	United States		United Kingdom		Other Countries		All Countries	
	1965	1966	1965	1966	1965	1966	1965	1966
	(Millions of dollars)							
Merchandise exports (adjusted)	4,993	6,241	1,184	1,133	2,568	2,896	8,745	10,270
Merchandise imports (adjusted)	6,034	7,166	624	635	1,969	2,089	8,627	9,890
Trade balance	−1,041	−925	+560	+498	+599	+807	+118	+380
Non-merchandise receipts	1,813	1,903	371	391	535	658	2,719	2,952
Non-merchandise payments	2,684	2,960	421	433	815	922	3,920	4,315
Non-merchandise balance	−871	−1,057	− 50	− 42	−280	−264	−1,201	−1,363
Total current receipts	6,806	8,144	1,555	1,524	3,103	3,554	11,464	13,222
Total current payments	8,718	10,126	1,045	1,068	2,784	3,011	12,547	14,205
Current account balance	−1,912	−1,982	+510	+456	+319	+543	−1,083	−983

SOURCE: DBS.

REFERENCE TABLE 28

BALANCE OF PAYMENTS ON CURRENT ACCOUNT: MERCHANDISE AND NON-MERCHANDISE BALANCE

1946 to 1966

	Merchandise Trade	Non-Merchandise Trade	Current Account Balance
	(Millions of dollars)		
1946	+571	−208	+363
1947	+188	−139	+ 49
1948	+432	+ 19	+451
1949	+293	−116	+177
1950	+ 7	−326	−319
1951	−151	−361	−512
1952	+485	−298	+187
1953	− 60	−388	−448
1954	+ 18	−442	−424
1955	−211	−476	−687
1956	−728	−644	−1,372
1957	−594	−857	−1,451
1958	−176	−961	−1,137
1959	−421	−1,066	−1,487
1960	−148	−1,085	−1,233
1961	+173	−1,101	−928
1962	+184	−1,014	−830
1963	+503	−1,024	−521
1964	+701	−1,125	−424
1965	+118	−1,201	−1,083
1966	+380	−1,363	−983

SOURCE: DBS.

REFERENCE TABLE 29
INTERNATIONAL PAYMENTS: CAPITAL MOVEMENTS

—	1961	1962	1963	1964	1965	1966	1966 1Q	1966 2Q	1966 3Q	1966 4Q
	(Millions of dollars)									
Direct investment in Canada	+560	+505	+280	+270	+405	+660	+120	+190	+145	+205
Direct investment abroad	− 80	−105	−135	− 95	−125	+ 10	− 15	− 40	+ 90	− 25
Canadian securities—										
Trade in outstanding bonds and debentures	+ 61	+ 64	+ 39	+ 77	+ 62	− 99	− 11	− 24	− 50	− 14
Trade in outstanding common and preference stocks	+ 39	−115	−170	− 98	−264	−131	− 13	− 42	− 33	− 43
New issues	+548	+729	+984	+1,100	+1,209	+1,448	+583	+358	+291	+216
Retirements	−301	−319	−404	−382	−382	−504	−112	−152	− 90	−150
Foreign securities (total)	− 35	− 65	+ 22	− 52	− 84	−357	− 70	− 90	−114	− 83
Loans and capital subscriptions by Government of Canada—										
Advances, etc.	− 8	− 22	− 18	− 10	− 14	− 20	− 6	− 3	− 9	− 2
Repayments to Canada	+ 38	+129	+ 25	+ 10	+ 10	+ 24	+ 2	+ 2	+ 1	+ 19
Columbia River Treaty, net	—	—	—	+ 54	+ 32	+ 32	—	—	—	+ 32
Long-term capital transactions not included elsewhere	+108	−113	+ 14	− 54	−136	−114	− 29	+ 15	− 34	− 66
Change in certain Canadian assets of foreigners—										
Canadian dollar deposits	+ 33	− 10	+ 43	+ 28	+ 31	+ 11	− 15	− 7	+ 20	+ 13
Government of Canada demand liabilities[1]	− 2	− 4	+ 1	—	+ 2	+ 5	− 6	− 2	+ 5	+ 8
Canadian treasury bills	− 58	+ 4	− 27	− 16	+ 12	− 15	− 8	—	+ 2	− 9
Canadian commercial paper			− 23	− 11	+ 10	− 2	− 12	− 5	+ 10	+ 5
Canadian finance paper	+ 95	+119	+ 93	+196	−162	− 9	+ 23	− 5	− 55	+ 28
Canadian finance company obligations not included elsewhere			+ 35	+ 52	+209	+153	+ 34	− 12	+ 44	+ 87
Bank balances and other short-term funds abroad	+140	+ 93	−258	−528	+138	−587	−165	− 9	−299	−114
All other transactions	+ 80	+ 95	+166	+246	+287	+119	− 33	+ 39	−125	+238
Net Capital Movements excluding monetary items shown below	**+1,218**	**+985**	**+667**	**+787**	**+1,240**	**+624**	**+267**	**+213**	**−201**	**+345**
Official monetary movements in the form of:										
Change in official holdings of gold and foreign exchange	+229	+537	+ 60	+ 86	− 11	−462	−166	−181	−105	− 10
Change in net International Monetary Fund position	+ 61	−378	+ 86	+277	+168	+103	+ 28	+ 64	+ 20	− 9
Other special international financial assistance	—	− 4	—	—	—	—	—	—	—	—

[1] Demand notes of international investment agencies other than the International Monetary Fund, Trust and Deposit Account of U.S. Government with Government of Canada.

SOURCE: DBS.

REFERENCE TABLE 30

NEW ISSUES OF CANADIAN BONDS SOLD TO UNITED STATES RESIDENTS

Period	Offerings	Deliveries	Undelivered[1]
	(Millions of dollars)		
1965—			
1Q	344	263	132
2Q	282	311	103
3Q	399	284	218
4Q	391	291	318
1966—			
1Q	356	518	156
2Q	386	348	194
3Q	202	276	120
4Q	198	203	115

[1]At end of period.

SOURCE: DBS.

REFERENCE TABLE 31

FINANCING OF CANADA'S BILATERAL ACCOUNT WITH THE UNITED STATES

——	1962	1963	1964	1965	1966
	(Millions of dollars)				
Transactions with U.S. (excluding international financial agencies)					
Current account deficit (exc. gold)	−1,247	−1,310	−1,780	−2,050	−2,107
Capital inflow from U.S.	+1,073	+ 829	+1,639	+ 456	+ 799
Net amount to be financed by other transactions	**− 174**	**− 481**	**− 141**	**−1,594**	**−1,308**
Other transactions					
Current account surplus with rest of world	+ 262	+ 635	+1,211	+ 829	+ 999
Net capital movement from (+) or to (−) rest of world	− 88	− 162	− 852	+ 784	− 175
New gold production available for export	+ 155	+ 154	+ 145	+ 138	+ 125
Increase (−) in Canadian holdings of gold and foreign exchange	− 533	− 60	− 86	+ 11	+ 462
Change in Canada's position with the International Monetary Fund[1]	+ 378	− 86	− 277	− 168	− 103
Total financing	**+ 174**	**+ 481**	**+ 141**	**+1,594**	**+1,308**

[1]Improvement (−) in Canadian position represents net provision of resources by Canada to the IMF

SOURCE: DBS.

REFERENCE TABLE 32

OFFICIAL HOLDINGS OF GOLD AND FOREIGN EXCHANGE

End of Period	Gold	U.S. Dollars	Total
	(Millions of U.S. dollars)		
1965—January	1,036.0	1,632.2	2,668.2
February	1,040.6	1,608.1	2,648.7
March	1,044.1	1,510.0	2,554.1
April	1,044.7	1,521.8	2,566.5
May	1,081.4	1,417.3	2,498.7
June	1,089.1	1,391.0	2,480.1
July	1,096.3	1,395.2	2,491.5
August	1,104.0	1,494.0	2,598.0
September	1,111.9	1,502.2	2,614.1
October	1,123.7	1,520.1	2,643.8
November	1,137.5	1,543.6	2,681.1
December	1,150.8	1,513.7	2,664.5
1966—January	1,112.8	1,449.6	2,562.4
February	1,076.5	1,471.1	2,547.6
March	1,085.6	1,424.2	2,509.8
April	1,096.0	1,373.1	2,469.1
May	1,060.7	1,351.5	2,412.2
June	1,024.2	1,317.6	2,341.8
July	986.2	1,329.2	2,315.4
August	996.7	1,284.3	2,281.0
September	1,008.7	1,235.6	2,244.3
October	1,020.5	1,202.7	2,223.2
November	1,033.7	1,208.4	2,242.1
December	1,045.6	1,190.3	2,235.9
1967—January	1,055.9	1,182.3	2,238.2
February	1,069.6	1,124.6	2,194.2
March	1,083.5	1,119.9	2,203.4
April	1,042.3	1,145.9	2,188.2

SOURCE: Department of Finance.

REFERENCE TABLE 33

CHANGES IN IMF HOLDINGS OF CANADIAN DOLLARS DURING 1966

				U.S. $ Million
IMF holdings of Canadian dollars at the end of 1965				246.6
(minus)	Repurchases by Canada (net)	—		
	Drawings of Canadian dollars by other countries (net)	47.6	47.6	
(plus)	Subscription of 75 per cent of quota increase	142.5		
	Borrowings from Canada under the General Arrangements to Borrow	—	142.5	
	Net change during 1966			94.9
IMF holdings at the end of 1966				341.5

SOURCE: Department of Finance.

REFERENCE TABLE 34

NET CHANGES IN SECURITIES[1] AND BANK LOANS[2] OUTSTANDING FOR CALENDAR YEARS

—	1963	1964	1965	1966	1965		1966	
					1st half	2nd half	1st half	2nd half
	(Millions of dollars)							
Federal Government	827	457	− 52	430	−529	477	−387	817
Provincial—Securities[3]	901	947	728	1,016	460	269	612	404
Special non-marketable securities[4]				462			185	277
Loans	19	−18	29	42	− 17	46	− 43	85
Sub-total	920	929	757	1,520	443	315	754	766
Municipal—Securities[5]	334	401	215	247	101	114	170	77
Loans	57	62	158	93	42	116	24	69
Sub-total	391	463	373	340	143	230	194	146
Total Governments	**2,138**	**1,849**	**1,078**	**2,290**	**57**	**1,022**	**561**	**1,729**
Private Canadian borrowers								
Corporate bonds	582	761	1,198	922	642	556	681	241
Other bonds	30	11	39	33	19	20	14	18
Corporate stocks	−49	332	459	495	265	194	314	182
Commercial Paper	123	305	−272	105	121	−393	227	−123
Bank loans to business and instalment finance companies	334	572	925	292	581	344	196	96
Call and day-to-day loans	−44	5	56	77	− 36	92	− 1	78
Other bank loans[6]	234	417	661	320	417	244	155	165
Total Private	**1,210**	**2,403**	**3,066**	**2,244**	**2,009**	**1,057**	**1,586**	**657**
Grand Total	**3,348**	**4,252**	**4,144**	**4,534**	**2,066**	**2,079**	**2,147**	**2,386**

(1) Includes foreign pay issues.
(2) Excludes foreign bank loans.
(3) Includes securities guaranteed by provinces.
(4) Non-marketable securities sold by provinces to the Canada Pension Plan Investment Fund.
(5) Quebec Pension Plan receipts of about $170 million were made available to the Quebec Deposit and Investment Fund for investment primarily in marketable securities. A high proportion of these receipts was invested in provincial and municipal securities.
(6) Includes loans to grain dealers, personal loans, loans to farmers, loans to institutions, loans for insured mortgages and for Canada Savings Bonds.

REFERENCE TABLE 35

ASSETS OF DEPOSIT-ACCEPTING INSTITUTIONS[1]

	1964	1965				1966			
	31st December	31st March	30th June	30th September	31st December	31st March	30th June	30th September	31st December[2]
	(Millions of dollars)								
Loans:									
Canadian day to day loans	253	167	213	266	251	169	248	268	278
Call and short loans	150	165	154	203	208	172	207	227	285
To instalment finance companies	299	288	357	425	527	408	435	359	424
To other businesses	5,757	6,051	6,469	6,618	6,609	6,770	7,032	7,141	7,106
To individuals	2,665	2,725	2,875	2,928	3,153	3,128	3,170	3,165	3,382
To non-profit institutions	262	246	268	269	285	283	299	297	313
To provinces	30	14	13	35	59	15	16	122	101
To municipalities	363	465	405	446	521	642	545	562	614
	9,779	10,121	10,754	11,190	11,613	11,587	11,952	12,141	12,503
Mortgages	3,941	4,127	4,383	4,641	4,748	4,842	4,954	5,049	5,115
Government Bonds									
Govt. of Canada treasury bills	1,755	1,797	1,747	1,825	1,984	1,917	1,936	1,922	1,980
Govt. of Canada bonds	5,565	5,536	5,693	5,584	5,692	5,705	5,632	5,788	5,911
Provincial bonds	660	684	686	642	637	624	598	593	611
Municipal bonds	489	514	511	497	496	494	479	493	483
	8,469	8,531	8,637	8,548	8,809	8,740	8,645	8,796	8,985
Other securities									
Short term notes[3]	191	361	396	296	211	342	312	327	289
Industrial Development Bank debentures and stock	213	219	226	229	240	248	262	270	282
Other corporate bonds	737	752	780	803	805	835	850	870	850
Stocks	123	124	139	134	130	131	133	136	138
	1,264	1,456	1,541	1,462	1,386	1,556	1,557	1,603	1,559
Assets abroad (net)	101	168	29	3	−58	−70	−21	69	251
All other assets	1,817	1,734	1,784	1,740	1,975	1,808	2,179	2,099	2,319
Total	**25,371**	**26,137**	**27,128**	**27,584**	**28,473**	**28,463**	**29,266**	**29,757**	**30,732**

[1] Included are the chartered banks, Quebec Savings Banks, trust companies and loan companies. Credit unions and caisses populaires are excluded.
[2] Estimated.
[3] Of sales finance and other companies.
SOURCE: DBS and Bank of Canada.

REFERENCE TABLE 36

LIABILITIES OF DEPOSIT-ACCEPTING INSTITUTIONS[1]

	1964	1965				1966			
	31st December	31st March	30th June	30th September	31st December	31st March	30th June	30th September	31st December[2]
	(Millions of dollars)								
Bank of Canada notes	2,026	1,938	2,053	2,071	2,153	2,092	2,246	2,248	2,296
Chequable deposits of:									
Government of Canada	773	683	674	518	920	607	537	485	969
Provincial governments[3]	204	267	360	344	344	366	381	351	303
Other financial institutions	125	120	143	157	225	153	151	162	180
Other Canadian residents[4]	14,919	14,940	15,377	15,770	15,985	16,000	16,510	16,823	17,114
Total Chequable Deposits	**16,021**	**16,010**	**16,554**	**16,789**	**17,474**	**17,126**	**17,579**	**17,821**	**18,566**
Other deposits and deposit-type liabilities:									
Non-chequable demand deposits	710	736	771	752	764	780	760	752	739
Term deposits, G.I.C.'s, debentures and instalment certificates	2,516	2,804	2,908	2,977	3,058	3,291	3,388	3,498	3,534
Other notice deposits	1,505	1,818	2,031	2,186	2,044	2,172	2,268	2,350	2,346
Total Non-Chequable and Time Deposits	**4,731**	**5,358**	**5,710**	**5,915**	**5,866**	**6,243**	**6,416**	**6,600**	**6,619**
Deposits and deposit-type liabilities to non-residents[5]	228	239	223	207	229	208	214	217	244
Total deposits and deposit-type liabilities	20,980	21,607	22,487	22,911	23,569	23,577	24,209	24,638	25,429
Shareholders' equity	1,724	1,757	1,774	1,800	1,851	1,857	1,857	1,879	1,910
All other liabilities	641	835	814	802	900	937	954	992	1,097
Total	**25,371**	**26,137**	**27,128**	**27,584**	**28,473**	**28,463**	**29,266**	**29,757**	**30,732**

[1] Included are the chartered banks, Quebec Savings Banks, trust companies and loan companies. Credit unions and caisses populaires are excluded.

[2] Estimated.

[3] Includes non-chequable deposits.

[4] Includes demand and savings deposits at chartered banks and chequable demand deposits at trust and loan companies.

[5] Includes Canadian dollar deposits by foreign banks in chartered banks and foreign currency liabilities of the Bank of Canada.

SOURCE: DBS and Bank of Canada.

REFERENCE TABLE 37

ASSETS OF DEPOSIT-ACCEPTING INSTITUTIONS[1]

	1964	1965				1966			
	31st December	31st March	30th June	30th September	31st December	31st March	30th June	30th September	31st December
	(Percentage distribution)								
Loans:									
Canadian day to day loans	1.00	0.64	0.78	0.96	0.88	0.59	0.85	0.90	0.90
Call and short loans	0.59	0.63	0.57	0.74	0.73	0.60	0.71	0.76	0.93
To instalment finance companies	1.18	1.10	1.31	1.54	1.85	1.43	1.49	1.21	1.38
To other businesses	22.69	23.15	23.85	23.99	23.21	23.79	24.03	24.00	23.12
To individuals	10.51	10.43	10.60	10.61	11.07	10.99	10.83	10.63	11.00
To non-profit institutions	1.03	0.94	0.99	0.98	1.00	1.00	1.02	1.00	1.02
To provinces	0.12	0.05	0.05	0.13	0.21	0.05	0.05	0.41	0.33
To municipalities	1.43	1.78	1.49	1.62	1.83	2.26	1.86	1.89	2.00
	38.55	38.72	39.64	40.57	40.78	40.71	40.84	40.80	40.68
Mortgages	15.53	15.79	16.16	16.82	16.67	17.01	16.93	16.97	16.64
Government Bonds									
Govt. of Canada treasury bills	6.92	6.87	6.44	6.62	6.97	6.74	6.62	6.46	6.44
Govt. of Canada bonds	21.93	21.18	20.99	20.24	19.99	20.04	19.24	19.45	19.24
Provincial bonds	2.60	2.62	2.53	2.33	2.24	2.19	2.04	1.99	1.99
Municipal bonds	1.93	1.97	1.88	1.80	1.74	1.74	1.64	1.66	1.57
	33.38	32.64	31.84	30.99	30.94	30.71	29.54	29.56	29.24
Other securities									
Short term notes	0.75	1.38	1.46	1.07	0.74	1.20	1.07	1.10	0.94
Industrial Development Bank debentures and stock	0.84	0.84	0.83	0.83	0.84	0.87	0.90	0.91	0.92
Other corporate bonds	2.91	2.88	2.88	2.91	2.83	2.94	2.90	2.92	2.76
Stocks	0.48	0.47	0.51	0.49	0.46	0.46	0.45	0.46	0.45
	4.98	5.57	5.68	5.30	4.87	5.47	5.32	5.39	5.07
Assets abroad (net)	0.40	0.64	0.10	0.01	−0.20	−0.25	−0.07	0.23	0.82
All other assets	7.16	6.64	6.58	6.31	6.94	6.35	7.44	7.05	7.55
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

[1]See footnotes Table 35.

SOURCE: DBS and Bank of Canada.

REFERENCE TABLE 38

LIABILITIES OF DEPOSIT-ACCEPTING INSTITUTIONS[1]

	1964	1965				1966			
	31st December	31st March	30th June	30th September	31st December	31st March	30th June	30th September	31st December
	(Percentage distribution)								
Bank of Canada notes	7.99	7.42	7.57	7.51	7.56	7.35	7.67	7.55	7.47
Chequable deposits of:									
Government of Canada	3.05	2.61	2.48	1.88	3.23	2.13	1.84	1.63	3.15
Provincial governments	0.80	1.02	1.32	1.25	1.21	1.28	1.30	1.18	0.99
Other financial institutions	0.49	0.46	0.53	0.57	0.79	0.54	0.52	0.54	0.58
Other Canadian residents	58.80	57.16	56.68	57.17	56.14	56.21	56.41	56.54	55.69
Total Chequable Deposits	**63.14**	**61.25**	**61.02**	**60.87**	**61.37**	**60.17**	**60.07**	**59.89**	**60.41**
Other deposits and deposit-type liabilities:									
Non-chequable demand deposits	2.80	2.82	2.84	2.73	2.68	2.74	2.60	2.53	2.41
Term deposits, G.I.C.'s, debentures and instalment certificates	9.92	10.73	10.72	10.79	10.74	11.56	11.57	11.75	11.50
Other notice deposits	5.93	6.96	7.49	7.92	7.18	7.63	7.75	7.90	7.63
Total Non-Chequable and Time Deposits	**18.65**	**20.51**	**21.05**	**21.44**	**20.60**	**21.93**	**21.92**	**22.18**	**21.54**
Deposit and deposit-type liabilities to non-residents	0.90	0.91	0.82	0.75	0.81	0.73	0.73	0.73	0.79
Total deposits and deposit-type liabilities	82.69	82.67	82.89	83.06	82.78	82.83	82.72	82.80	82.74
Shareholders' equity	6.79	6.72	6.54	6.52	6.50	6.53	6.35	6.32	6.22
All other liabilities	2.53	3.19	3.00	2.91	3.16	3.29	3.26	3.33	3.57
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

[1]See footnotes Table 36.

SOURCE: DBS and Bank of Canada.

REFERENCE TABLE 39

REPRESENTATIVE INTEREST RATES 1965 TO 1967

	Issuing Agency	Type of Investment	Time to Maturity	1965	1966				1967
				Dec.	Mar.	June	Sept.	Dec.	Mar.
Representative short-term money market rates									
	Chartered banks	Term deposits	30 days	5.25	5.37	5.50	5.85	6.36	5.00
			90 days	5.63	5.63	5.75	5.90	6.31	5.00
			1 year	5.63	5.50	5.75	5.75	5.50	5.75
		Swap deposits	30 days	5.45	4.79	5.50	5.20	5.92	4.57
			90 days	5.75	5.36	5.62	5.81	6.26	5.06
	Trust companies	Term deposits	30 days	5.50	5.37	5.62	5.75	5.62	4.75
			90 days	5.75	5.62	5.87	5.87	6.00	5.00
			1 year	5.75	5.75	6.00	6.00	6.00	5.75
		Guaranteed Investment Certificates (G.I.C.'s)	30 days	5.38	5.38	5.30	5.37	5.40	4.68
			90 days	5.56	5.60	5.55	5.79	5.77	4.84
			1 year	5.76	5.72	5.79	6.00	6.06	5.03
	Finance companies	Prime finance paper	30 days	5.87	5.90	6.03	6.08	5.20	5.10
			90 days	6.00	5.98	6.18	6.36	6.55	5.50
	Corporations	Prime commercial paper	30 days	6.00	5.75	5.87	5.93	6.18	5.06
			90 days	6.00	5.87	6.06	6.18	6.43	5.31
		Bankers' acceptances	30 days	4.95	5.10	5.35	5.65	6.05	4.85
			90 days	5.05	5.20	5.45	5.85	6.25	4.95
	Chartered banks	Day loans	Demand	3.63	5.10	4.73	4.68	4.42	4.16
	Govt. of Canada	Treasury bills	91 days	4.54	5.06	5.00	5.01	4.96	4.13
Representative bond yields									
	Govt. of Canada	Short term bonds	0–3 years	4.95	5.17	5.09	5.40	5.31	4.28
		Long term bonds	over 10 years	5.40	5.58	5.66	5.75	5.76	5.48
	Provinces	Long term bonds	—	5.90	6.03	6.14	6.51	6.63	6.18
	Municipalities	Long term bonds	—	6.03	6.28	6.31	6.80	6.73	6.40
	Corporations	Long term bonds	—	6.05	6.22	6.30	6.83	6.83	6.65

REFERENCE TABLE 40

GROSS MORTGAGE LOAN COMMITMENTS
BY CENTRAL MORTGAGE AND HOUSING CORPORATION
AND PRIVATE INSTITUTIONS

——	1961	1962	1963	1964	1965	1966
	(Millions of dollars)					
Mortgage loans approved under National Housing Act						
CMHC direct[1]						
Single detached	225	152	253	312	367	401
Apartments and other	46	20	49	65	95	144
Sub-total	271	172	302	377	462	545
Approved lenders						
Single detached	321	316	281	178	129	71
Apartments and other	132	96	104	175	191	120
Sub-total	453	412	385	353	320	191
Total	724	584	687	730	782	736
Conventional mortgage approvals						
New residences						
Single detached	174	187	250	294	354	290
Apartments and other	158	264	402	518	548	284
Existing residences						
Single detached	215	256	306	443	540	373
Apartments and other	85	102	124	197	209	98
Commercial and other	298	311	373	507	581	382
Total conventional	930	1,120	1,455	1,959	2,232	1,427
Grand total	**1,654**	**1,704**	**2,142**	**2,689**	**3,014**	**2,163**
of which:						
Single residences new	720	655	784	784	850	762
Apartment residences, etc., new	336	380	555	758	834	548
Total residential new	1,056	1,035	1,339	1,542	1,684	1,310

[1]In addition to direct CMHC loans for new housing, CMHC also made loans for $38 million for existing housing in the period 1964–1966.

SOURCE: CMHC and Bank of Canada.

REFERENCE TABLE 41

CONSUMER CREDIT

Amount outstanding seasonally adjusted	1965				1966			
	March	June	Sept.	Dec.	March	June	Sept.	Dec.
	(Millions of dollars)							
Chartered banks	1,899	2,003	2,118	2,207	2,291	2,264	2,335	
Sales finance companies	1,057	1,071	1,101	1,139	1,165	1,167	1,199	
Consumer loan companies	938	976	1,003	1,032	1,069	1,100	1,133	
Quebec Savings Banks	17	18	17	16	15	16	17	
Life insurance companies	401	403	407	412	416	425	434	
Retail dealers[1]	679	692	710	727	746	751	759	
Sub-total	4,991	5,163	5,356	5,533	5,702	5,722	5,877	
Other retail[2]	447	449	454	462	477	477	n.a.	
Credit unions and caisses	n.a.	n.a.	n.a.	7,058	n.a.	n.a.	n.a.	n.a.

n.a. not available.

[1]Includes department stores, furniture and appliance dealers and the instalment credit of motor vehicle dealers.

[2]Includes oil companies credit cards.

SOURCE: Bank of Canada, Department of Insurance, Department of Finance, DBS and Department of Agriculture.

REFERENCE TABLE 42

DETAILS OF NEW ISSUES AND RETIREMENTS OF GOVERNMENT OF CANADA DIRECT AND GUARANTEED MARKETABLE BONDS

January 1, 1966 to March 31, 1967

Date of issue or retirement	Maturing bonds	Amount ($ million par value)	New bonds	Amount ($ million par value)	Net change in amount outstanding ($ million par value)	Term of new bonds	Price at issue (%)	Yield at issue (%)
1966								
January 3	CNR 3% Jan. 3, 1966	35	—	—	−35			
February 1	3½% Feb. 1, 1966	330	4% April 1, 1967	170		1 year 2 months	98.70	5.16
			5% July 1, 1970	50	−30	4 year 5 months	98.50	5.38
			5½% Aug. 1, 1980	80		14 year 6 months	100.00	5.50
April 15	5% Oct. 15, 1987[1]	3	—	—	− 3			
May 1	3¼% May 1, 1966	325	4¼% April 1, 1967	155		11 months	98.90	5.49
			5% July 1, 1970	40	0	4 year 2 months	98.00	5.54
			5½% Aug. 1, 1980	130		14 year 3 months	98.00	5.71
September 1	3% Sept. 1, 1966	245	4¼% Oct. 1, 1967	175		1 year 1 month	98.60	5.60
	3¾% Sept. 1, 1966	205	5¾% Oct. 1, 1969	250	+ 50	3 year 1 month	99.63	5.88
			5¾% Sept. 1, 1992	75		26 year	97.50	5.94
October 15	5% Oct. 15, 1987[1]	3	—	—	− 3			
December 15	4% Dec. 15, 1966	150	5½% Jan. 15, 1968	125		1 year 1 month	99.60	5.88
	4¼% Dec. 15, 1966	300	5¾% Dec. 15, 1970	300	+ 75	4 year	99.50	5.89
			5¾% Sept. 1, 1992	100		25 year 8½ months	97.50	5.94
December 21	CNR 5¾% Jan. 1, 1985[2]	1	—	—	− 1			
	CNR 5% Oct. 1, 1987[2]	4	—	—	− 4			
	Totals (Calendar 1966)	1,601		1,650	+ 49			
1967								
January 2	CNR 2¾% Jan. 2, 1967	50	—	—	− 50			
February 1			5½% Sept. 1, 1975	70		8 year 8 months	98.63	5.70
			5½% Aug. 1, 1980	30	+150	13 year 6 months	98.00	5.71
			5¾% Sept. 1, 1992	50		25 year 7 months	100.75	5.69
	Totals (Fiscal year 1966-67)	1,286		1,500	214			

[1]This issue was made in New York and bonds of this issue are subject to partial redemption at par for the sinking fund on each interest payment date in a principal amount equal to U.S. $2,500,000.

[2]Cancellation of securities held by Purchase Funds.

PART II

REVIEW OF GOVERNMENT ACCOUNTS 1966-67

TABLE OF CONTENTS

	PAGE
Introduction	988
Highlights of the government's financial operations during 1966–67	989
Budgetary accounts	992
Revenue	993
Expenditure	1001
Assets and liabilities as at March 31, 1967	1033
Summary	1034
Liability accounts	1034
Asset accounts	1044
Net debt	1057
The cash position	1057
The public debt	1060
Supplementary detailed tables	1066

Part II

REVIEW OF GOVERNMENT ACCOUNTS 1966-67

INTRODUCTION

This Part of the Budget Papers presents in summary form a review of the accounts of the Government of Canada for the fiscal year 1966–67. Although the government's fiscal year ended on March 31, the books must remain open for some time after that date to record various adjusting entries and to take into account section 35 of the Financial Administration Act which provides that for thirty days after the end of each fiscal year payments for the discharge of debts properly applicable to the old year may be made and charged to that year. Consequently the figures used in this report are preliminary and subject to revision and the final figures when they become available next July or August will vary to some extent from those given in the following pages.

In 1965–66, in order to improve the functioning of the government service, changes were made in the control and supervision of the duties and functions of a number of departments pursuant to the Public Service Rearrangement and Transfer of Duties Act. In 1966–67, to more truly define the new duties and functions, the names of certain departments were changed and new departments established pursuant to the Government Organization Act, 1966, which came into force on October 1, 1966 by proclamation of the Governor in Council. The Department of Citizenship and Immigration was renamed the Department of Manpower and Immigration, the Department of Forestry was renamed the Department of Forestry and Rural Development, the Department of Mines and Technical Surveys was renamed the Department of Energy, Mines and Resources and the Department of Northern Affairs and National Resources was renamed the Department of Indian Affairs and Northern Development. New departments established were: the Registrar General, responsible for certain duties transferred from the Privy Council; the Solicitor General, responsible for certain duties transferred from the Department of Justice and the Treasury Board responsible for certain duties transferred from the Department of Finance and the Public Service Commission.

Similarly, the name of the Civil Service Commission was changed to the Public Service Commission pursuant to the Public Service Employment Act which came into force on March 13, 1967 by proclamation of the Governor in Council, and a new department was established called the Public Service Staff Relations Board, to administer collective bargaining in the civil service, pursuant to the Public Service Staff Relations Act which also came into force on March 13, 1967 by proclamation of the Governor in Council.

In addition, the duties, powers and functions pertaining to the Canadian Citizenship Act, under the former Department of Citizenship and Immigration, were transferred to the Department of Secretary of State of Canada.

HIGHLIGHTS OF THE GOVERNMENT'S FINANCIAL OPERATIONS DURING 1966–67

This section outlines the financial operations of the government in 1966–67 giving a brief summary of the budgetary and non-budgetary transactions, the unmatured debt transactions and the changes in the cash position during the fiscal year and the cash and debt position as at the end of the fiscal year. More detailed explanations of these transactions are given in subsequent sections of this review.

The following table summarizes the budgetary and non-budgetary transactions for 1966–67 with comparative figures for 1965–66 and indicates how these transactions affected the government's cash balances:

TABLE 1

(in millions of dollars)

Summary of Budgetary and Non-Budgetary Transactions and Changes in Cash Position	Fiscal year ended March 31			
	1967 (preliminary)		1966	
Budgetary transactions—				
Revenue—				
Tax	7,436		6,850	
Non-tax	930		846	
	8,366		*7,696*	
Expenditure—				
Defence	1,696		1,595	
Non-defence	7,098		6,140	
	8,794		*7,735*	
Deficit (−)		**−428**		**−39**
Non-budgetary transactions (excluding unmatured debt transactions)—				
Receipts and credits—				
Repayment of temporary loan to old age security fund			25	
Net annuity, insurance and pension accounts receipts	938		627	
Repayment of advances to exchange fund	341			
Canada pension plan account	591		89	
Investment in special United States of America securities—				
Columbia River Treaty	32		32	
Increase in non-interest-bearing notes payable on demand	111			
Other	454		260	
	2,467		*1,033*	
Disbursements and charges—				
Advances to exchange fund			75	
Canada pension plan investment fund	581		35	
Loans, investments and advances	1,594		853	
Decrease in non-interest-bearing notes payable on demand			113	
Other	583		78	
	2,758		*1,154*	
Net amount required for non-budgetary transactions		**−291**		**−121**
Overall cash requirements to be financed by increase in unmatured debt or decrease in cash balances		**−719**		**−160**
Net increase in unmatured debt outstanding in hands of the public		**711**		**113**
Net increase or decrease (−) in Receiver General bank balances		**−8**		**−47**

Budgetary transactions

The budgetary revenue, expenditure and deficit as forecast in the budget speech of March 29, 1966 and revised on December 19, 1966 and the actual figures as now estimated are shown in the following table:

TABLE 2

(in millions of dollars)

Budgetary Transactions for Fiscal Year 1966-67	Budget forecast March 29, 1966	Revised forecast December 19, 1966	Actual (preliminary)	Increase or decrease (−) compared with December 19, 1966 forecast	
				Amount	Per cent
Revenue	8,300	8,260	8,366	106	1.28
Expenditure	8,450	8,580	8,794	214	2.49
Deficit	150	320	428	108	

Revenue

Budgetary revenue of the government amounted to $8,366 million for 1966–67. This was $106 million or 1¼ per cent more than the revised figure of $8,260 million forecast on December 19, 1966 and $670 million or 9 per cent more than the total collected in 1965–66.

Tax revenue accounted for $586 million of the increase and non-tax revenue accounted for $84 million of the increase over 1965–66 receipts.

The yield from the income taxes was $350 million higher, from sales tax $118 million higher and from customs import duties $92 million higher than in 1965–66.

Expenditure

Budgetary expenditure amounted to $8,794 million, $214 million or 2½ per cent more than the revised figure of $8,580 million forecast on December 19, 1966 and $1,059 million or 14 per cent higher than expenditure in 1965–66.

Defence expenditure of $1,696 million was 19 per cent of total budgetary expenditure compared with $1,595 million or 21 per cent in 1965–66 and was again the largest category.

Civil or non-defence expenditure was $7,098 million compared with $6,140 million in 1965–66, an increase of $958 million. The main changes were increases of $77 million in public debt charges, $78 million in the government's contributions to the provinces under the Hospital Insurance and Diagnostic Services Act, $70 million in payments to the provinces under the Technical and Vocational Training Assistance Act, $62 million in payments in respect of the international food aid program, $59 million in university grants and $50 million in fiscal, subsidy and other payments to provinces.

Deficit

On the basis of these preliminary figures, expenditure of $8,794 million exceeded revenue of $8,366 million resulting in a deficit of $428 million compared with a deficit of $320 million as forecast on December 19, 1966 and a deficit of $39 million in 1965–66.

Non-budgetary transactions (excluding unmatured debt transactions)

Non-budgetary transactions are those which increase or decrease the government's asset and liability accounts and do not enter into the calculation of the annual budgetary surplus or deficit.

In 1966–67 net disbursements and charges of $2,758 million exceeded net receipts and credits of $2,467 million, resulting in a net requirement of $291 million. In 1965–66 net disbursements and charges totalled $1,154 million and net receipts and credits totalled $1,033 million, resulting in a net requirement of $121 million.

Old age security fund

Receipts by the fund during 1966–67 of $1,286 million exceeded payments of $1,073 million by $213 million. In 1965–66 receipts were $1,169 million and payments were $927 million.

The transactions in the fund during 1966–67 compared with those for 1965–66 were as follows:

	Fiscal year ended March 31	
	1967 (preliminary)	1966
	(in millions of dollars)	
Balance in fund at beginning of year	217	(1) −25
Receipts	1,286	1,169
Pension payments	−1,073	−927
Balance in fund at end of year	430	217

(1) Covered by temporary loans from Minister of Finance which were repaid during 1965-66.

Canada pension plan account

Receipts by the account during 1966–67 were $600 million and disbursements were $9 million. In 1965–66 receipts were $95 million and disbursements were $6 million.

The transactions in the account during 1966–67 compared with those for 1965–66 were as follows:

	Fiscal year ended March 31	
	1967 (preliminary)	1966
	(in millions of dollars)	
Balance in account at beginning of year	89	
Receipts	600	95
Disbursements	−9	−6
Balance in account at end of year	680	89

At March 31, 1967 the balance in the account consisted of an operating balance of $65 million on deposit with the government and provincial securities, purchased on instructions from the provinces, in the amount of $613 million and Government of Canada securities in the amount of $2 million recorded in the Canada pension plan investment fund.

Unmatured debt transactions

Unmatured debt transactions in 1966–67 reflected an increase of $711 million in unmatured debt outstanding in the hands of the public compared with an increase of $113 million in 1965–66.

Cash position

Receiver General bank balances in current deposits were $8 million less at March 31, 1967 than at March 31, 1966. The budgetary deficit of $428 million plus non-budgetary requirements of $291 million was financed by an increase of $711 million in outstanding unmatured debt and a draw-down of $8 million in Receiver General bank balances.

Debt position

As a result of budgetary and non-budgetary transactions the gross public debt increased by $2,867 million to $30,350 million at March 31, 1967, net recorded assets increased by $2,439 million to $14,379 million and net debt increased by $428 million to $15,971 million.

THE BUDGETARY ACCOUNTS

Total revenue at $8,366 million for 1966-67 was $670 million more than the total for the previous fiscal year. Total expenditure of $8,794 million was $1,059 million more than the total for 1965-66. The deficit for the fiscal year 1966-67 was $428 million compared with $39 million for the previous year.

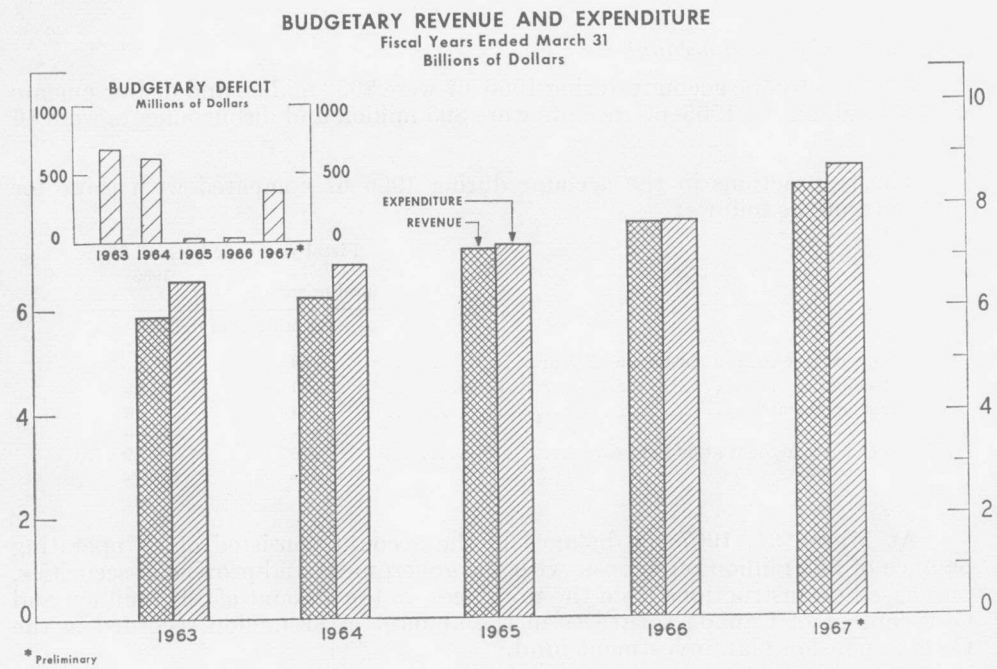


TABLE 3

BUDGETARY REVENUE, EXPENDITURE AND DEFICIT

(in millions of dollars)

FISCAL YEAR ENDED MARCH 31	Budgetary revenue	Budgetary expenditure	Deficit
1958	5,048.8	5,087.4	−38.6
1959	4,754.7	5,364.0	−609.3
1960	5,289.8	5,702.9	−413.1
1961	5,617.7	5,958.1	−340.4
1962	5,729.6	6,520.6	−791.0
1963	5,878.7	6,570.3	−691.6
1964	6,253.2	6,872.4	−619.2
1965	7,180.3	7,218.3	−38.0
1966	7,695.8	7,734.8	−39.0
1967 (preliminary)	8,366.0	8,794.0	−428.0

REVENUE

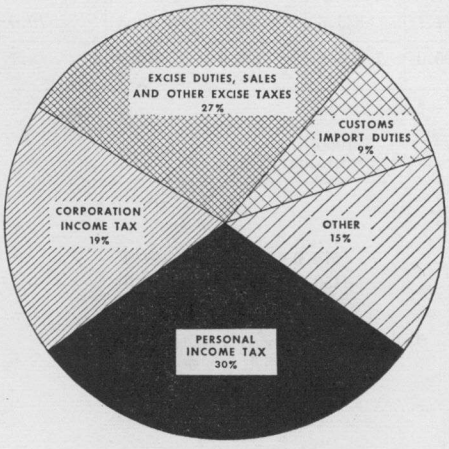
Budgetary revenue in 1966-67 was $8,366 million, $670 million or 9 per cent over the total of $7,696 million received in 1965–66. Tax revenue at $7,436 million accounted for 89 per cent of the total revenue for the fiscal year and non-tax revenue at $930 million accounted for 11 per cent.

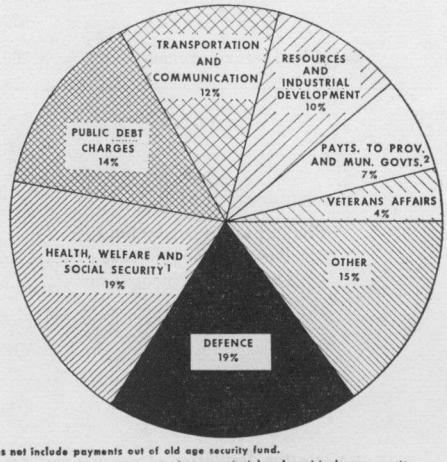
The more important items were increases of $330 million in personal income tax collections, $118 million in sales tax receipts, $92 million in customs import duties and $79 million in return on investments.

BUDGETARY REVENUE BY MAJOR SOURCE

BUDGETARY EXPENDITURE BY MAJOR FUNCTION

For Fiscal Year Ended March 31, 1967
Preliminary





1. Does not include payments out of old age security fund.
2. Does not include those payments made to provincial and municipal governments for specific purposes.

TABLE 4

BUDGETARY REVENUE BY MAJOR SOURCES

(in millions of dollars)

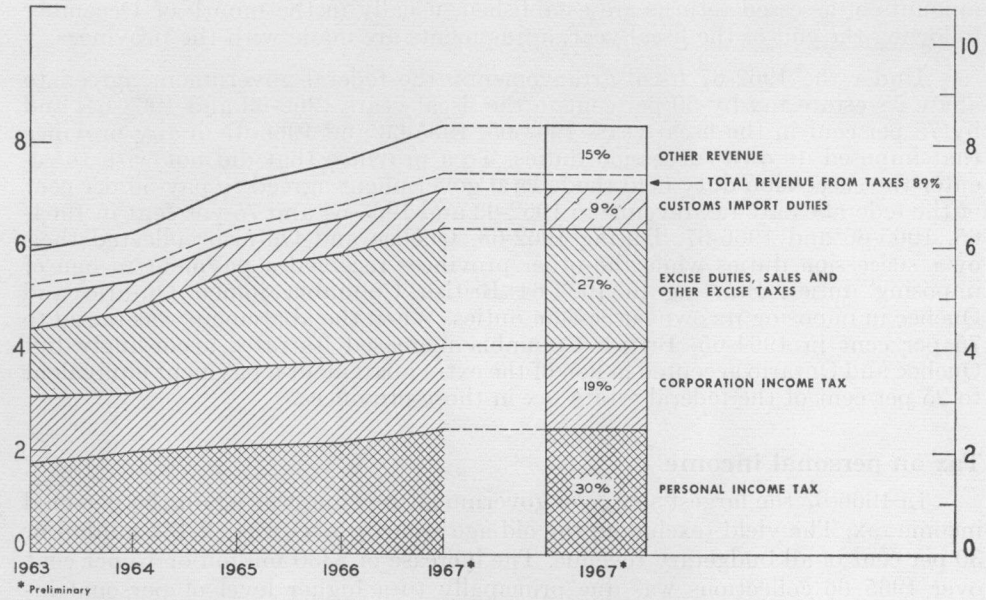
SOURCE	Fiscal year ended March 31				Increase or decrease (−)	
	1967 (preliminary)		1966			
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Tax revenue—						
Income tax—						
Personal[1]	2,472.0	29.6	2,142.5	27.8	329.5	15.4
Corporation[1]	1,593.0	19.0	1,606.6	20.9	−13.6	−0.8
On dividends, interest, etc., going abroad	204.0	2.4	170.0	2.2	34.0	20.0
Excise taxes—						
Sales[1][2]	1,513.0	18.1	1,395.1	18.1	117.9	8.5
Other	315.0	3.8	296.2	3.9	18.8	6.3
Customs import duties	777.0	9.3	685.5	8.9	91.5	13.3
Excise duties	461.0	5.5	445.9	5.8	15.1	3.4
Estate tax[3]	100.8	1.2	108.3	1.4	−7.5	−6.9
Other taxes	0.2		0.2			
	7,436.0	*88.9*	*6,850.3*	*89.0*	*585.7*	*8.5*
Non-tax revenue—						
Return on investments	517.0	6.2	438.3	5.7	78.7	18.0
Post office—net postal revenue	254.0	3.0	237.5	3.1	16.5	6.9
Other non-tax revenue	159.0	1.9	169.7	2.2	−10.7	−6.3
	930.0	*11.1*	*845.5*	*11.0*	*84.5*	*10.0*
Total budgetary revenue	8,366.0	100.0	7,695.8	100.0	670.2	8.7

	1966–67 (preliminary)	1965–66
[1]Excluding credits to:		
The old age security fund—		
Personal income tax	576.0	494.9
Corporation income tax	150.0	152.3
Sales tax	560.0	522.1
	1,286.0	1,169.3
The Canada pension plan—		
Personal income tax	588.8	94.9

[2]Net after deduction of refunds and drawbacks.

[3]Includes duties levied under the Dominion Succession Duty Act.

BUDGETARY REVENUE BY SOURCE



TAX REVENUE

Federal-provincial fiscal arrangements

Under fiscal arrangements, that became operative in 1962, the federal government withdrew in part from the field of direct taxation and left the vacated area to the provinces. The federal government offered to collect the provincial income taxes without charge provided that provincial personal income tax was expressed as a percentage of federal personal income tax otherwise payable and provincial corporation income tax applied to taxable income calculated in the same way as for federal income tax purposes. To allow for the imposition of the provincial income taxes, the Income Tax Act was amended to abate the federal income tax otherwise payable by individuals in all provinces by 16 per cent in 1962, 17 per cent in 1963, 18 per cent in 1964, 21 per cent in 1965, 24 per cent in 1966 and 28 per cent in 1967. For 1965 and 1966 the abatements of federal income tax otherwise payable in the Province of Quebec were 44 per cent and 47 per cent respectively; for 1967, the corresponding figure was 50 per cent. These higher abatements for Quebec are in compensation of the fact that the payment of youth allowances and the full cost of certain programs which are supported jointly by federal and provincial governments in the other provinces have been assumed by that province. For the years 1962 to 1966 the federal corporation income tax rates were abated by 9 percentage points for taxable income earned in a province other than Quebec and by 10 percentage points for taxable income earned in Quebec. For 1967, the corresponding abatement was 10 per cent for all provinces. The federal government has entered into tax-collection agreements under which it collects the provincial personal income taxes for all provinces except Quebec and the provincial corporation income taxes for all provinces except Ontario and Quebec.

Under these collection agreements, payments are made monthly to each province based on an estimate of that province's tax revenue. When the actual amounts of assessed returns are established, usually in the month of December following the end of the fiscal year, adjustments are made with the provinces.

Under the 1962-67 fiscal arrangements, the federal government agreed to abate its estate tax by 50 per cent in the fiscal years 1962-63 and 1963-64, and by 75 per cent in the fiscal years 1964-65, 1965-66 and 1966-67 in any province that imposed its own succession duties. To a province that did not wish to re-enter the succession duty field the federal government agreed to pay 50 per cent of the federal estate tax revenue in 1962-63 and 1963-64 and 75 per cent in 1964-65, 1965-66 and 1966-67. During 1962-63, Quebec and Ontario collected their own succession duties while the other provinces received a payment in lieu of imposing duties. Starting in 1963-64 British Columbia joined Ontario and Quebec in imposing its own succession duties. When the abatement was raised to 75 per cent in 1964-65, British Columbia increased its rates accordingly but Quebec and Ontario accepted in lieu of the extra abatement a payment equivalent to 25 per cent of the federal estate tax in those provinces.

Tax on personal income

In 1966-67 the largest source of government revenue was again the personal income tax. The yield (excluding the old age security tax) was $2,472 million or 30 per cent of all budgetary revenue. The increase of $330 million or 15 per cent over 1965–66 collections was due principally to a higher level of personal incomes and to the termination of the tax reduction introduced in 1965 and its replacement by a smaller tax reduction for 1966 and subsequent years. This was partly offset by higher provincial abatements. In addition to the federal revenue, $696 million was allocated to the provincial tax collection agreements account under the terms of federal-provincial fiscal arrangements. In 1965-66 federal revenue from this source was $2,142 million and in addition $529 million was allocated to the provincial tax collection agreements account.

The tax on personal incomes levied under the Old Age Security Act and credited to the old age security fund was $576 million compared with $495 million in 1965–66. The maximum amount payable by an individual on account of the 4 per cent tax on personal income under the Old Age Security Act was raised from $120 per year to $240 per year with effect from January 1, 1967.

Corporation income tax

The corporation income tax was the second largest source of government revenue. The yield (excluding the old age security tax) was $1,593 million or 19 per cent of all budgetary revenue. The decrease of $14 million or 1 per cent less than the 1965-66 collections was attributable to a combination of a levelling off of corporation profits and to the absence from 1966-67 tax receipts of amounts similar to those collected in 1965-66 in respect of the movement forward of the payment period of corporation income tax that had been initiated in 1963. In addition to the federal revenue, $132 million was allocated to the provincial tax collection agreements account under terms of federal-provincial fiscal arrangements. In 1965-66 federal revenue from this source was $1,607 million and in addition $132 million was allocated to the provincial tax collection agreements account.

The tax on incomes of corporations levied under the Old Age Security Act and credited to the old age security fund was $150 million, $2 million less than in 1965-66.

Taxes on dividends, interest, etc., going abroad

Revenue in this category was derived from taxes withheld from payments of dividends, interest, rents, royalties, alimony and income from estates and trusts paid to non-residents. Collections for 1966-67 were $204 million, an increase of $34 million or 20 per cent over the 1965-66 total.

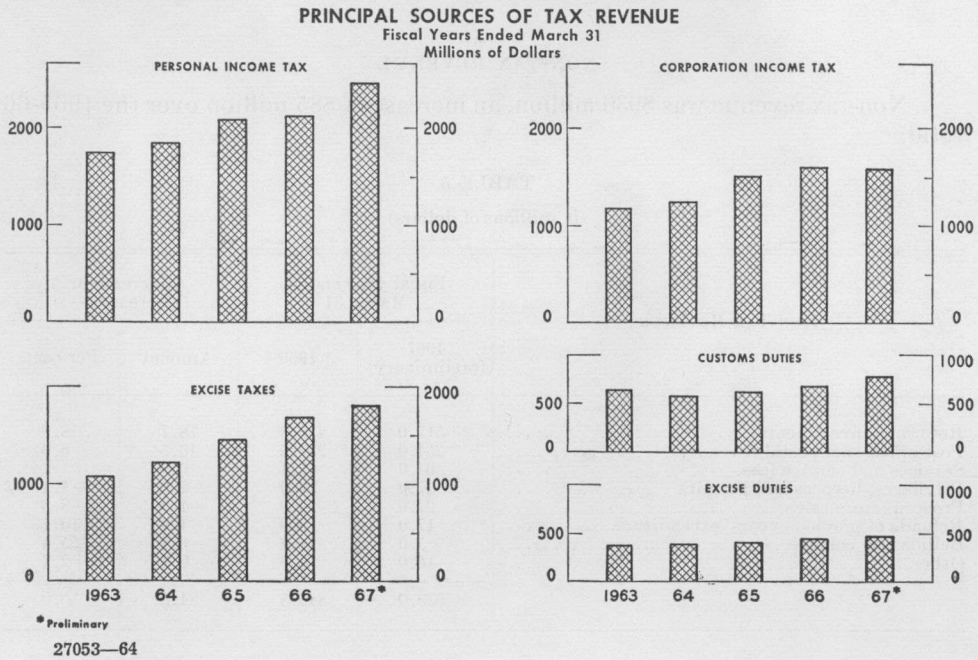
Excise taxes

Revenue under this heading was from the general sales tax and other excise taxes.

From a revenue standpoint the general sales tax was the most important tax levied under the Excise Tax Act. Receipts (excluding the old age security tax) were $1,513 million or 9 per cent higher than in the previous fiscal year. The rate of the general sales tax was raised from 11 per cent to 12 per cent with effect from January 1, 1967. The increase did not apply to production machinery and equipment and building materials that had been exempt from tax before the 1963 budget.

The tax on sales levied under the Old Age Security Act and credited to the old age security fund was $560 million.

The yield from excise taxes levied under the Excise Tax Act, other than the general sales tax, at $315 million was $19 million more than in 1965-66.



Customs import duties

Receipts from this source were $777 million compared with $686 million in 1965-66. The increase of $92 million or 13 per cent reflected the greater volume and value of imports during 1966-67.

Excise duties

Excise duties were levied on alcoholic beverages (other than wines) and tobacco products. (Additional taxes on tobacco products were levied under the Excise Tax Act.) Net receipts in 1966-67 were $461 million compared with $446 million in 1965-66.

Gross receipts of $271 million from duties on alcoholic beverages ($159 million in respect of spirits and $112 million in respect of beer) and $197 million from duties on tobacco products were reduced by refunds and drawbacks of $7 million. In 1965-66 gross receipts of $265 million from duties on alcoholic beverages ($157 million in respect of spirits and $108 million in respect of beer) and $187 million from duties on tobacco products were reduced by refunds and drawbacks of $6 million.

Estate tax

Revenue in this category was derived under the Estate Tax Act. Net receipts of $101 million were $7 million less than in 1965-66.

Other taxes

Revenue under this heading during the fiscal year was $200 thousand, the same as in the previous year.

NON-TAX REVENUE

Non-tax revenue was $930 million, an increase of $85 million over the 1965-66 total.

TABLE 5

(in millions of dollars)

Non-Tax Revenue	Fiscal year ended March 31		Increase or decrease (−)	
	1967 (preliminary)	1966	Amount	Per cent
Return on investments	517.0	438.3	78.7	18.0
Post office—net postal revenue	254.0	237.5	16.5	6.9
Services and service fees	64.0	63.1	0.9	1.4
Privileges, licences and permits	37.0	39.0	−2.0	−5.1
Proceeds from sales	21.0	22.9	−1.9	−8.3
Refunds of previous years' expenditure	17.0	18.9	−1.9	−10.1
Bullion and coinage	5.0	11.2	−6.2	−55.4
Other	15.0	14.6	0.4	2.7
	930.0	845.5	84.5	10.0

Return on investments

These receipts, in an amount of $517 million, consisted of income derived from loans and advances made by the government and from investments by the government in productive or earning assets. In 1965–66 receipts were $438 million.

Receipts from Crown corporations at $371 million were $51 million more than in the previous year. The main changes were increases of $22 million in payments by the Central Mortgage and Housing Corporation, $8 million in the Bank of Canada profits paid to the government and $8 million in respect of the Farm Credit Corporation.

The yield from other loans and investments at $146 million was $28 million more than the 1965-66 total. This was mainly accounted for by the receipt of $20 million in interest on the loan to the United Kingdom and $6 million in interest on loans to the Municipal Development and Loan Board. In 1965-66 interest payable on the United Kingdom loan was deferred in accordance with special agreements.

TABLE 6

(in millions of dollars)

Return on Investments	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Loans to, and investments in, Crown corporations—			
Bank of Canada—profits	150.6	143.1	7.5
Canadian Broadcasting Corporation	2.5	1.0	1.5
Canadian Corporation for the 1967 World Exhibition	3.5	0.2	3.3
Canadian National Railways	16.2	12.0	4.2
Canadian Overseas Telecommunication Corporation	2.5	2.7	−0.2
Central Mortgage and Housing Corporation	129.8	107.8	22.0
Eldorado Mining and Refining Limited	1.0	1.5	−0.5
Export Credits Insurance Corporation	7.7	6.8	0.9
Farm Credit Corporation	29.1	21.0	8.1
National Capital Commission	3.9	3.3	0.6
National Harbours Board	1.7	4.1	−2.4
Northern Canada Power Commission	3.2	2.2	1.0
Polymer Corporation Limited	5.0	4.5	0.5
The St. Lawrence Seaway Authority	13.8	9.4	4.4
Miscellaneous	0.5	0.4	0.1
	371.0	*320.0*	*51.0*
Other loans and investments—			
United Kingdom	21.6	2.0	19.6
Other national governments	4.0	4.5	−0.5
Provincial governments	0.8	0.9	−0.1
Exchange fund account	63.0	62.9	0.1
Interest-bearing deposits with chartered banks	21.0	21.7	−0.7
Municipal Development and Loan Board	6.5	0.7	5.8
Defence production revolving fund	2.5		2.5
Securities investment account	3.5	1.3	2.2
Soldier and general land settlement loans and veterans land act advances	9.4	9.1	0.3
Special United States of America securities—Columbia River Treaty	7.9	9.2	−1.3
Miscellaneous	5.8	6.0	−0.2
	146.0	*118.3*	*27.7*
	517.0	438.3	78.7

Post Office revenue

Gross post office receipts were $295 million but authorized disbursements from revenue for salaries and rent allowances, other allowances and commissions at semi-staff and revenue offices, commissions at sub-offices, transit charges on Canadian mail forwarded through and delivered in foreign countries, etc. in the amount of $41 million brought net revenue to $254 million. In the previous fiscal year gross revenue was $276 million, authorized disbursements were $38 million and net revenue was $238 million.

TABLE 7

(in millions of dollars)

Post Office Revenue	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Postage—			
In Canada	277.3	257.8	19.5
From foreign countries	4.2	5.0	−0.8
Commission on money orders	9.1	9.1	
Rental of post office boxes	2.3	2.4	−0.1
Other	1.6	1.7	−0.1
	294.5	*276.0*	*18.5*
Less—			
Salaries and allowances to semi-staff and revenue offices	−35.7	−33.6	−2.1
Transit charges to or through foreign countries	−3.4	−3.5	0.1
Other	−1.4	−1.4	
	−40.5	*−38.5*	*−2.0*
	254.0	237.5	16.5

Net costs of operating the Post Office Department during 1966–67 (excluding the $41 million charged to revenue) of $269 million exceeded net revenue by $15 million. However, in making this comparison, it should be noted that the total shown for post office revenue does not reflect any payment for the franking privilege covering parliamentary and departmental mail or for certain miscellaneous services provided for other government departments and agencies, nor does the total shown for operating expenses reflect any charges for premises occupied by the Post Office Department or for accounting and miscellaneous services provided by other departments.

Services and service fees

Revenue at $64 million during 1966–67 was $1 million more than in the previous fiscal year.

The Department of Transport received $21 million including aircraft landing fees of $12 million, marine steamers earnings of $3 million and harbour dues and wharfage of $2 million; the Royal Canadian Mounted Police received $17 million for police services mainly to provinces and municipalities; the Department of Agriculture received $10 million of which $7 million was for services in connection with the inspection, weighing, storage and elevation of grain and $2 million for race track supervision; the Department of National Health and

Welfare received $6 million including a $4 million reimbursement by the provinces for treatment of Indians in federal government hospitals and the Department of Trade and Commerce received $2 million, mainly from weights and measures and electricity and gas inspection fees.

Privileges, licences and permits

Revenue from this category totalled $37 million for 1966–67, $2 million less than for the previous fiscal year.

The Department of Transport received $16 million mainly from rentals, concessions and radio licence fees; the Department of Indian Affairs and Northern Development received $8 million of which $3 million was from fees, leases and royalties in respect of oil, gas and gold and $1 million from transient motor vehicle licences; the Department of the Registrar General received $4 million from patents, trade marks, charters, etc.; and the Department of Public Works received $3 million for rental of public buildings and sites.

Proceeds from sales

Receipts of $21 million were $2 million less than the total for 1965–66.

The Department of Defence Production received $5 million mainly from the sale of surplus Crown assets, Central Mortgage and Housing Corporation received $4 million from the sales of properties and the Department of Public Printing and Stationery received $2 million mainly from the sale of publications.

Refunds of previous years' expenditure

Refunds in 1966–67 of expenditures made in prior years were $17 million, a decrease of $2 million from the comparable total for 1965–66.

The Department of National Defence received $6 million of which $1 million was due to cost audits and the Department of Veterans Affairs received $3 million in refunds of veterans' pensions, allowances and re-establishment credits.

Bullion and coinage

Revenue of $5 million derived from the operation of the Royal Canadian Mint consisted mainly of a net gain on coinage. Small amounts were also obtained from gold refining charges, handling charges and gain on gold refining. In 1965–66 revenue from these sources was $11 million.

Other non-tax revenue

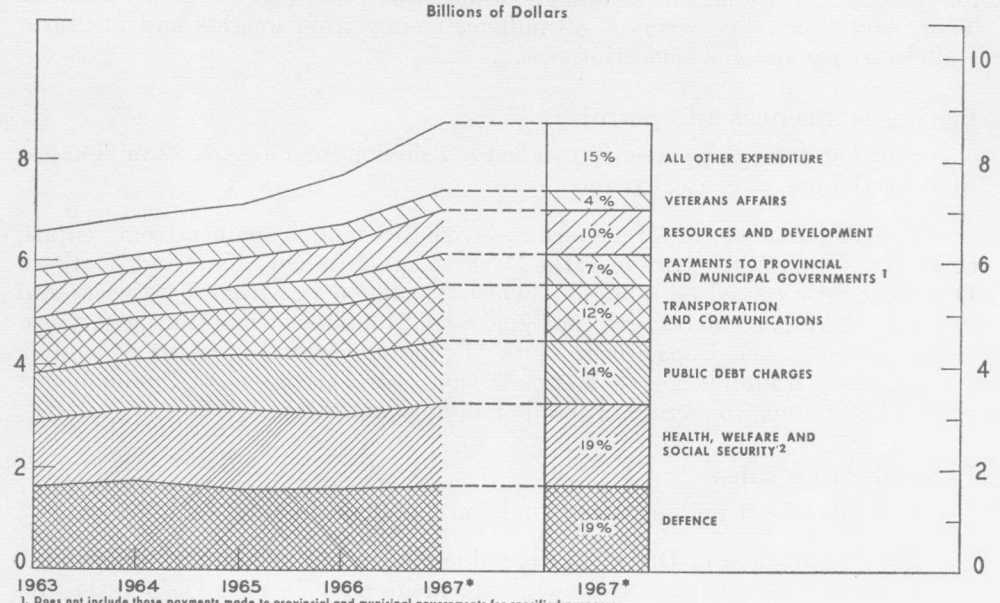
Other non-tax revenue in the amount of $15 million was the same as in 1965–66.

Expenditure

Budgetary expenditure amounted to $8,794 million for 1966-67, $1,059 million or 14 per cent higher than in 1965-66.

BUDGETARY EXPENDITURE, CLASSIFIED BY FUNCTION

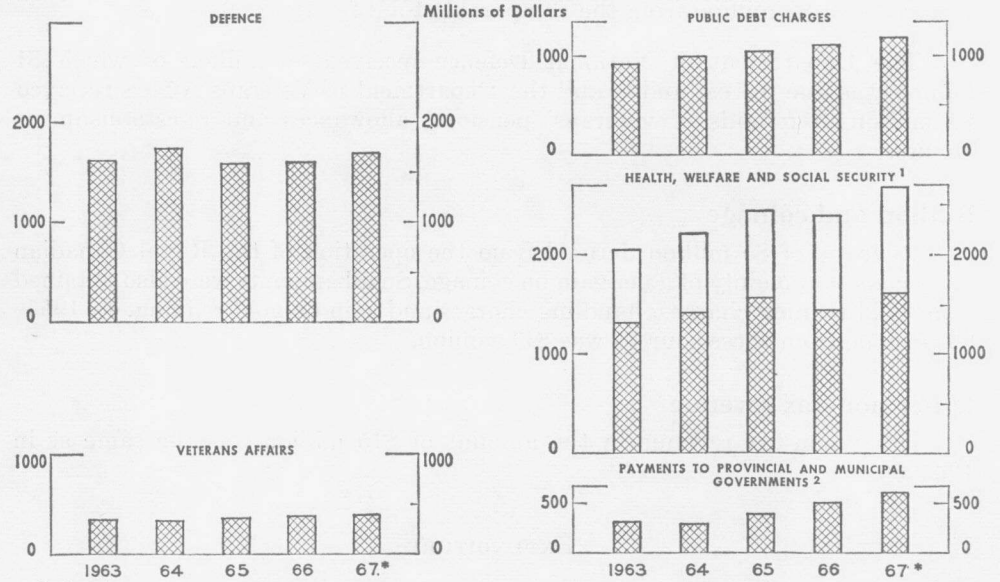
Fiscal Years Ended March 31
Billions of Dollars



1. Does not include those payments made to provincial and municipal governments for specified purposes.
2. Does not include pension payments out of the old age security fund not charged to budgetary expenditure in the year in which they were paid.
* Preliminary

PRINCIPAL CLASSES OF BUDGETARY EXPENDITURE

Fiscal Years Ended March 31
Millions of Dollars



*. Preliminary
1. The unshaded areas of the columns in the chart for health, welfare and social security represent pension payments out of old age security fund not charged to budgetary expenditure in the year in which they were paid.
2. Does not include those payments made to provincial and municipal governments for specific purposes.

TABLE 8

STATEMENT OF BUDGETARY EXPENDITURE BY DEPARTMENTS AND MAJOR CLASSIFICATIONS

(in millions of dollars)

—	Fiscal year ended March 31				Increase or decrease (−)	
	1967 (preliminary)		1966			
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Defence expenditure—						
National Defence	1,642.2	18.7	1,548.4	20.0	93.8	6.1
Defence Production[1]	33.0	0.4	23.0	0.3	10.0	43.5
Industry[2]	21.3	0.2	23.9	0.3	−2.6	−10.9
	1,696.5	19.3	1,595.3	20.6	101.2	6.3
Non-defence expenditure—						
Agriculture	230.1	2.6	186.3	2.4	43.8	23.5
Atomic Energy	60.2	0.7	54.4	0.7	5.8	10.7
Canadian Broadcasting Corporation	115.3	1.3	97.5	1.3	17.8	18.3
Central Mortgage and Housing Corporation	20.1	0.2	21.6	0.3	−1.5	−6.9
Dominion Bureau of Statistics	26.7	0.3	15.6	0.2	11.1	71.2
Energy, Mines and Resources	128.4	1.5	107.3	1.4	21.1	19.7
External Affairs	230.2	2.6	152.5	2.0	77.7	51.0
Finance—						
Public debt charges	1,188.0	13.5	1,110.9	14.4	77.1	6.9
Fiscal, subsidy and other payments to provinces	515.5	5.9	466.0	6.0	49.5	10.6
Other	129.9	1.5	105.9	1.4	24.0	22.7
	1,833.4	*20.9*	*1,682.8*	*21.8*	*150.6*	*8.9*
Fisheries	41.2	0.5	34.5	0.4	6.7	19.4
Forestry and Rural Development	66.5	0.8	57.1	0.7	9.4	16.5
Indian Affairs and Northern Development—						
Indian affairs branch	104.3	1.2	81.7	1.0	22.6	27.7
Northern development	93.7	1.1	74.7	1.0	19.0	25.4
	198.0	*2.3*	*156.4*	*2.0*	*41.6*	*26.6*
Industry	13.4	0.2	5.4	0.1	8.0	148.1
Justice	12.3	0.1	11.4	0.1	0.9	7.9
Labour	25.7	0.3	24.0	0.3	1.7	7.1
Legislation	17.6	0.2	14.7	0.2	2.9	19.7
Manpower and Immigration	320.7	3.6	236.5	3.1	84.2	35.6
National Health and Welfare—						
Family allowances	555.8	6.3	551.7	7.2	4.1	0.7
Government's contributions under the Hospital Insurance and Diagnostic Services Act	397.5	4.5	319.6	4.1	77.9	24.4
Other	362.7	4.2	303.8	3.9	58.9	19.4
	1,316.0	*15.0*	*1,175.1*	*15.2*	*140.9*	*12.0*
National Research Council including the Medical Research Council	96.1	1.1	74.4	1.0	21.7	29.2
National Revenue	106.0	1.2	95.0	1.2	11.0	11.6
Post Office	268.7	3.1	240.2	3.1	28.5	11.9
Public Works	294.4	3.3	275.1	3.5	19.3	7.0
Secretary of State	133.9	1.5	54.1	0.7	79.8	147.5
Solicitor General	159.8	1.8	138.9	1.8	20.9	15.0
Trade and Commerce	72.9	0.8	68.0	0.9	4.9	7.2
Transport	603.4	6.9	532.5	6.9	70.9	13.3
Treasury Board	153.0	1.7	102.7	1.3	50.3	49.0
Unemployment Insurance Commission	105.9	1.2	98.0	1.3	7.9	8.1
Veterans Affairs	391.2	4.4	369.7	4.8	21.5	5.8
All Other Departments	56.4	0.6	57.8	0.7	−1.4	−2.4
	7,097.5	80.7	6,139.5	79.4	958.0	15.6
Total budgetary expenditure	8,794.0	100.0	7,734.8	100.0	1,059.2	13.7

[1] Does not include non-defence expenditure of $9.4 million which is included in "All Other Departments".

[2] Does not include $13.4 million in non-defence expenditure.

DEFENCE EXPENDITURE

Expenditures of the Department of National Defence and the defence expenditures of the Department of Defence Production and the Department of Industry were again the largest category of government expenditure. The total of $1,696 million for 1966-67 was 19 per cent of the aggregate budgetary expenditure of the government for the year and was $101 million more than the total for 1965-66 when it was 21 per cent of total expenditure.

National Defence

Expenditures of the Department of National Defence were $1,642 million compared with $1,548 million, an increase of $94 million.

Expenditures of $1,437 million for defence services included $1,162 million for operation and maintenance, $238 million for construction or acquisition of buildings, works, land and major equipment and $17 million for development. In 1965-66 expenditures of $1,401 million for defence services included $1,128 million for operation and maintenance, $220 million for construction or acquisition and $31 million for development.

TABLE 9

(in millions of dollars)

Defence Expenditure	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Department of National Defence—			
Defence services—			
Operation and maintenance	1,161.8	1,127.8	34.0
Construction or acquisition of buildings, works, land and major equipment	237.6	220.1	17.5
Development	17.0	30.9	−13.9
Other	20.7	22.5	−1.8
	1,437.1	*1,401.3*	*35.8*
Canadian forces superannuation account—			
Government's contribution	42.7	58.8	−16.1
Amortization of deferred charges	72.6	16.8	55.8
Defence research	44.2	41.6	2.6
Mutual aid to NATO countries including contributions towards military costs of NATO	18.7	14.6	4.1
Defence Construction (1951) Limited	2.2	2.0	0.2
Administration and general	24.7	13.3	11.4
	1,642.2	1,548.4	93.8
Department of Industry[1]—			
Technological capability	21.3	23.9	−2.6
Department of Defence Production[2]—			
Canada Emergency Measures Organization	9.4	7.8	1.6
Canadian Arsenals Limited	1.3	1.7	−0.4
Production capacity and capital assistance	8.1	2.9	5.2
Administration and general	14.2	10.6	3.6
	33.0	*23.0*	*10.0*
	1,696.5	1,595.3	101.2

[1] Does not include $13.4 million in non-defence expenditure.

[2] Does not include non-defence expenditure of $9.4 million which is included in "All Other Departments".

The government's contribution to the Canadian forces superannuation account, of an amount equal to $1\frac{2}{3}$ times the contributions of the permanent services personnel, was $43 million compared with $59 million in 1965-66. An amount of $17 million equal to one fifth of the actuarial deficiency arising out of pay increases in previous years plus an additional amount of $56 million for 1966-67 have been charged to budgetary expenditure in 1966-67.

Defence research costs at $44 million reflected an increase of $3 million over the 1965-66 total.

Mutual aid to NATO countries including contributions towards military costs of NATO at $19 million were $4 million more than in 1965-66.

Defence Production

Defence expenditures of the Department of Defence Production including those for the Canada Emergency Measures Organization and the Canadian Arsenals Limited totalled $33 million compared with $23 million in 1965-66.

Canada Emergency Measures Organization

Expenditures of the Canada Emergency Measures Organization at $9 million were $2 million more than in the previous fiscal year.

Industry

Defence expenditures of the Department of Industry were $21 million, a decrease of $3 million over the previous year. The decrease was due to lower outlays in connection with the government program instituted in 1959-60 of supporting selected defence development programs in order to sustain technological capability in Canadian industry.

Cash outlays for defence

In addition to these budgetary expenditures for defence, there were other cash outlays which must be considered in arriving at the cost of Canada's defence program.

Under authority of the Department of National Defence vote 48, Appropriation Act No. 2, 1966, an account which has been named surplus Crown assets is to be credited with: (a) all revenues received during the current and subsequent fiscal years from the sale of surplus materials, supplies and equipment; and (b) revenues received during the current and subsequent fiscal years from the sale during the current year of surplus buildings, works and land not exceeding an aggregate amount of $5 million. Expenditures are subject to the approval of Treasury Board for any purposes of the Department of National Defence. During 1966-67 proceeds from sales amounted to $15 million resulting in a balance in the account of $24 million.

The Department of Defence Production also makes cash disbursements for the procurement of materials for use in the manufacture of defence equipment which are not recorded as budgetary expenditures. For purposes of accounting and control, these amounts are charged to the defence production revolving fund and are treated as assets on the books of the government until they are charged to the Department of National Defence or sold to defence contractors for use in the manufacture of defence equipment. During 1966-67 purchases of $45 million exceeded proceeds from sales of $30 million, resulting in a balance of $37 million in the account as at March 31, 1967.

TABLE 10

(in millions of dollars)

Cash Outlays for Defence	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Budgetary expenditures—			
Department of National Defence	1,642.2	1,548.4	93.8
Department of Industry[1]	21.3	23.9	−2.6
Department of Defence Production[2]	23.6	15.2	8.4
Canada Emergency Measures Organization	9.4	7.8	1.6
	1,696.5	*1,595.3*	*101.2*
Disbursements for—			
Surplus Crown assets	−15.2	−9.1	−6.1
Defence production revolving fund (net)	14.6	−7.6	22.2
	−0.6	*−16.7*	*16.1*
Net cash outlays for defence	1,695.9	1,578.6	117.3

[1] Does not include $13.4 million in non-defence expenditure.

[2] Does not include $9.4 million which is included in "All Other Departments".

NON-DEFENCE EXPENDITURE

Agriculture

Expenditures of the Department of Agriculture amounted to $230 million, an increase of $44 million over the total for 1965–66.

TABLE 11

(in millions of dollars)

Agriculture	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Production and marketing—			
Agricultural stabilization board—net operating loss	90.0	39.4	50.6
Plant and plant products	20.3	16.4	3.9
Grants, contributions and subsidies to milk producers	0.4	19.2	−18.8
Animal and animal products	19.7	18.3	1.4
Agricultural products board—net operating loss	5.7	1.6	4.1
Administration and general	2.9	2.5	0.4
	139.0	*97.4*	*41.6*
Research	35.4	32.6	2.8
Land rehabilitation, irrigation and water storage projects	24.9	28.4	−3.5
Health of animals	16.2	15.0	1.2
Board of grain commissioners	7.8	7.2	0.6
Farm Credit Corporation—net operating loss	2.6	1.0	1.6
Administration and general	4.2	4.7	−0.5
	230.1	186.3	43.8

Outlays for production and marketing were $139 million, an increase of $42 million over 1965–66 expenditures. This was due mainly to increases of $51 million in the net operating loss of the agricultural stabilization board principally

in payments for stabilization of prices in respect of milk and milk products, $4 million in respect of plant and plant products and a decrease of $19 million in payments to eligible producers for manufacturing milk and cream delivered to plants in accordance with terms and conditions prescribed by the Governor in Council.

Research expenditures were $35 million compared with $32 million in the previous fiscal year.

Expenditures for land rehabilitation, irrigation and water storage projects totalled $25 million, $3 million less than in 1965–66.

Atomic Energy

Expenditures by the government in respect of Atomic Energy of Canada Limited and the Atomic Energy Control Board were $60 million compared with $54 million in 1965–66.

Atomic Energy of Canada Limited received $58 million in respect of its research program, of which $48 million was for operation and maintenance and $10 million for construction or acquisition of buildings, works, land and equipment. In 1965–66 the company received $52 million of which $39 million was for operation and maintenance and $13 million for construction or acquisition.

The Atomic Energy Control Board received $2 million, slightly more than in the previous fiscal year mainly for grants for researches and investigations.

In addition, loans in the amount of $29 million were made to Atomic Energy of Canada Limited.

TABLE 12

(in millions of dollars)

Atomic Energy	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Atomic Energy of Canada Limited—			
Research program—			
Current operation and maintenance	48.0	39.6	8.4
Contruction or acquisition of buildings, works, land and equipment	10.0	13.0	−3.0
	58.0	*52.6*	*5.4*
Atomic Energy Control Board—			
Grants for researches and investigations with respect to atomic energy	2.0	1.6	0.4
Administration	0.2	0.2	
	2.2	*1.8*	*0.4*
	60.2	54.4	5.8

Canadian Broadcasting Corporation

Payments of $115 million by the government to the Canadian Broadcasting Corporation and charged to budgetary expenditures were $18 million more than the total of $97 million in 1965–66.

Grants for net operating requirements in respect of the national broadcasting service were $112 million, $17 million more than in 1965–66.

In addition loans to the corporation for capital expenditures amounted to $47 million in 1966–67.

TABLE 13

(in millions of dollars)

Canadian Broadcasting Corporation	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Grants in respect of the national broadcasting service—			
Net operating requirements	112.5	95.1	17.4
International broadcasting service	2.8	2.4	0.4
	115.3	97.5	17.8

Central Mortgage and Housing Corporation

Budgetary expenditure of the government in respect of Central Mortgage and Housing Corporation at $20 million was $2 million less than in 1965–66.

Contributions of $8 million to provinces or municipalities for urban renewal were $1 million more than in 1965–66.

Loans in the amount of $8 million, originally made to municipalities and municipal sewerage corporations, were forgiven by Central Mortgage and Housing Corporation pursuant to section 36G of the National Housing Act and written off to budgetary expenditures and were $3 million less than in 1965–66.

In addition, loans in the amount of $607 million were made to the corporation.

TABLE 14

(in millions of dollars)

Central Mortgage and Housing Corporation	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Loans forgiven by the corporation	7.9	10.5	−2.6
Contributions to provinces or municipalities for urban renewal	7.9	6.9	1.0
Losses sustained—			
Federal-provincial projects	2.1	2.0	0.1
Sale of mortgages		0.7	−0.7
Housing research and community planning	2.2	1.5	0.7
	20.1	21.6	−1.5

Dominion Bureau of Statistics

Expenditures of the Dominion Bureau of Statistics were $27 million compared with $16 million in 1965–66, an increase of $11 million due mainly to an increase of $8 million in outlays in respect of the 1966 Quinquennial Census of Canada over expenditures of $1 million in 1965–66.

TABLE 15

(in millions of dollars)

Dominion Bureau of Statistics	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Administration and operation	18.0	14.5	3.5
1966 Quinquennial Census of Canada	8.6	0.9	7.7
1961 Decennial Census of Canada	0.1	0.2	−0.1
	26.7	15.6	11.1

Energy, Mines and Resources

Expenditures of the Department of Energy, Mines and Resources were $128 million compared with $107 million in the previous fiscal year.

The increase of $21 million was due mainly to outlays of $38 million in respect of the Dominion coal board compared with $23 million in 1965-66, $15 million in respect of water resources compared with $14 million, $17 million in respect of marine surveys and research compared with $12 million and $10 million in respect of geological research compared with $8 million in the previous fiscal year.

TABLE 16

(in millions of dollars)

Energy, Mines and Resources	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Dominion coal board	38.0	23.4	14.6
Water resources	14.8	13.6	1.2
Marine surveys and research	16.5	11.6	4.9
Emergency gold mining assistance	15.0	14.8	0.2
Geological research	9.9	7.8	2.1
Field and air surveys, mapping and aeronautical charting	7.6	8.0	−0.4
Mining and metallurgical investigations and research	5.7	6.7	−1.0
Research in astronomy and geophysics	5.3	4.9	0.4
Contributions to provinces to assist in the development of roads leading to resources	4.3	7.3	−3.0
Subventions pursuant to the Atlantic Provinces Power Development Act in respect of electric power generated from eastern coal	3.0	2.5	0.5
Polar continental shelf	2.0	1.3	0.7
National energy board	1.1	0.9	0.2
Geographical surveys and research	1.1	0.9	0.2
Administration and general	4.1	3.6	0.5
	128.4	107.3	21.1

External Affairs

Expenditures of the Department of External Affairs were $230 million for 1966–67, $78 million more than the total for the previous fiscal year.

TABLE 17
(in millions of dollars)

External Affairs	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
External aid office—			
Economic, technical, education and other assistance—			
International food aid program	96.4	34.5	61.9
International development assistance	48.5	48.5	
Contribution to the Indus Basin development fund	3.0	1.8	1.2
Other	0.6	0.1	0.5
Forgiveness of payment of principal re purchase of wheat and flour by India	9.4		9.4
Administration	1.8	1.1	0.7
	159.7	*86.0*	*73.7*
Representation abroad	23.7	19.7	4.0
Contributions to the United Nations and its agencies	12.5	13.5	−1.0
Assessments for membership in the international (including commonwealth) organizations	12.3	11.0	1.3
Contributions, grants and payments to other international and commonwealth organizations	6.5	7.5	−1.0
Administration and general	15.5	14.8	0.7
	230.2	152.5	77.7

Outlays of $160 million by the external aid office were $74 million more than in 1965–66. This was due mainly to increases of $62 million in the international food aid program, $9 million in respect of forgiveness of a loan to India, for which there was no comparable amount in 1965–66, and $1 million in contributions to the Indus Basin development fund.

Costs of representation abroad at $24 million were $4 million higher than in 1965–66, contributions to the United Nations and its agencies at $13 million were $1 million less, assessments for membership in the international (including commonwealth) organizations at $12 million were $1 million higher and contributions, grants and payments to other international and commonwealth organizations at $7 million were $1 million less than in 1965–66.

Finance

Expenditures of the Department of Finance were $1,833 million for 1966–67, $151 million more than the previous year's total due mainly to increases of $77 million in public debt charges and $50 million in payments to provinces.

Certain expenditures which in 1965-66 were included in Department of Finance expenditures are now reported as follows: The Canadian Wheat Board under the Department of Trade and Commerce; grants to universities under the Department of Secretary of State; and the public service superannuation account (except administration expenses which are under the Office of the Comptroller of

the Treasury), the government's share of surgical-medical insurance premiums, the government's contributions as an employer to the unemployment insurance fund and the Canada pension plan and the Quebec pension plan under the Treasury Board. Previous years' figures have been amended for comparative purposes.

TABLE 18

(in millions of dollars)

Finance	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Public debt charges	1,188.0	1,110.9	77.1
Fiscal, subsidy and other payments to provinces	515.5	466.0	49.5
Forgiveness of indebtedness—municipal development and loan board	41.8	33.9	7.9
Grants to municipalities in lieu of taxes on federal property	37.6	36.8	0.8
Office of the Comptroller of the Treasury	29.2	25.4	3.8
Contributions to the Government of Manitoba re Red River Flood in 1966	7.1		7.1
Administration and general	14.2	9.8	4.4
	1,833.4	1,682.8	150.6

Public debt charges

Public debt charges were again the third largest item of budgetary expenditure, exceeded only by those for defence and those for health, welfare and social security.

Public debt charges consisted of interest on the public debt, the annual amortization of bond discounts and commissions, the cost of issuing new loans and other costs incurred in servicing the public debt. These charges were $1,188 million for 1966–67 or 14 per cent of all budgetary expenditure compared with $1,111 million or 14 per cent for 1965–66.

Interest on public debt amounted to $1,154 million of which $899 million was in respect of unmatured debt and $255 million in respect of other liabilities. In 1965–66 total interest was $1,077 million of which $847 million was for unmatured debt and $230 million for other liabilities.

The increase of $52 million in interest on unmatured debt reflected higher interest rates and an increase in unmatured debt. The increase in interest on other liabilities was due mainly to increases of $9 million in respect of the public service superannuation account and $9 million in respect of the Canadian forces superannuation account.

Other public debt charges at $34 million were slightly less than in 1965–66.

When considering the magnitude of these public debt charges and the burden they place upon the public treasury, it must be borne in mind that a substantial portion of the debt is attributable to, or is invested in, productive or earning assets. Therefore, in calculating the *net* burden of the government's annual interest charges, the income derived from loans, investments and other productive assets must be taken into account. For 1966–67 this income totalled $517 million

TABLE 19

(in millions of dollars)

Interest and Other Public Debt Charges	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Interest on public debt—			
Unmatured debt including treasury bills—			
Payable in Canada	883.0	830.8	52.2
Payable in New York	16.0	16.2	−0.2
	899.0	*847.0*	*52.0*
Other liabilities—			
Annuity, insurance and pension accounts	252.0	226.9	25.1
Deposit and trust accounts	3.5	3.4	0.1
	255.5	*230.3*	*25.2*
Total interest on public debt	1,154.5	1,077.3	77.2
Other public debt charges—			
Annual amortization of bond discounts and commissions	30.0	30.8	−0.8
Cost of issuing new loans	2.3	1.8	0.5
Servicing of public debt	1.2	1.0	0.2
	33.5	*33.6*	*−0.1*
	1,188.0	1,110.9	77.1

as shown in the non-tax revenue section under the heading "return on investments". This amount deducted from the gross total of $1,154 million for interest as shown in the table leaves a net amount of $637 million compared with a net of $639 million in 1965-66. Measured as a percentage of the net debt the burden of the net annual interest charges was 3.99 per cent in 1966–67 compared with 4.11 per cent in 1965–66.

TABLE 20

(in millions of dollars)

Net Burden of Annual Interest Charges	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Total interest on public debt	1,154.5	1,077.3	77.2
Less return on investments	−517.0	−438.3	−78.7
Net interest cost	637.5	639.0	−1.5
Net interest cost as a percentage of net debt	3.99	4.11	

Fiscal, subsidy and other payments to provinces

Payments to provinces in the amount of $516 million were $50 million more than in 1965-66.

However, in addition to the above payments, $828 million in provincial income taxes collected by the federal government on behalf of the provinces has been allocated to the provincial tax collection agreements account under the terms of the Federal-Provincial Fiscal Arrangements Act. A more detailed explanation of these arrangements is given in the tax revenue section of this Part.

TABLE 21

(in millions of dollars)

Fiscal, Subsidy and Other Payments to Provinces	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Payments under the Federal-Provincial Fiscal Arrangements Act	(1)423.2	(1)356.1	67.1
Payments under the Established Programs (Interim Arrangements) Act(2)	57.6	81.5	−23.9
Statutory subsidies	23.7	23.6	0.1
Payments under the Federal-Provincial Tax-Sharing Arrangements Act	9.1	3.3	5.8
Transfer of certain public utility tax receipts	6.0	6.4	−0.4
Federal-Provincial Fiscal Revision Act (youth allowances)	(3)4.1 Cr.	(3)4.9 Cr.	0.8
	515.5	466.0	49.5

(1) Gross prior to recovery of an excess abatement under the Federal-Provincial Fiscal Revision Act (youth allowances) to the Province of Quebec.

(2) Payments made to the Province of Quebec in respect of opting out agreements.

(3) Recovered from payments to the Province of Quebec under the Federal-Provincial Fiscal Arrangements Act.

A summary of payments, by provinces, during 1966–67 is given in the following table:

TABLE 22

(in millions of dollars)

Fiscal, Subsidy and Other Payments to Provinces	Fiscal year ended March 31, 1967 (preliminary)						
	Payments under fiscal arrangements	Payments under Interim Arrangements Act	Statutory subsidies	Payments under the Federal-Provincial Fiscal Revision Act (youth allowances)	Transfer of certain public utility tax receipts	Payments under Federal-Provincial Tax-Sharing Arrangements Act	Total
Newfoundland	48.5		1.7		0.3	0.2	50.7
Prince Edward Island	10.9		0.7		0.1		11.7
Nova Scotia	54.1		2.1		0.6	0.3	57.1
New Brunswick	47.9		1.8		(1)	0.2	49.9
Quebec	(2) 165.9	57.6	4.0	(3) 4.1 Cr.	0.6	1.9	225.9
Ontario	19.7		4.6		1.1		25.4
Manitoba	35.6		2.1		0.1	1.2	39.0
Saskatchewan	36.5		2.1		(1)	0.2	38.8
Alberta	4.1		2.9		3.0	0.5	10.5
British Columbia			1.7		0.2	4.6	6.5
	423.2	57.6	23.7	4.1 Cr.	6.0	9.1	515.5

(1) Less than $50,000.

(2) Gross prior to recovery of the excess tax abatement of $4.1 million under the Federal-Provincial Fiscal Revision Act (youth allowances).

(3) Recovered from payments under the Federal-Provincial Fiscal Arrangements Act.

Forgiveness of indebtedness, the municipal development and loan board

Under the Municipal Development and Loan Act, advances are made to the municipal development and loan board to provide financial assistance by way of loans to municipalities to augment or accelerate capital works programs. The act also provides that the board shall, under certain conditions, forgive payment by the municipality of 25 per cent of the principal amount of the loan. During 1966–67 payments forgiven amounted to $42 million compared with $34 million in the previous year.

Grants to municipalities

Payments to municipalities in lieu of taxes on federal property amounted to $38 million, $1 million more than in 1965–66.

Fisheries

Expenditures of the Department of Fisheries were $41 million, an increase of $7 million over the 1965–66 total, due mainly to increases of $4 million in respect of fisheries management and development and $2 million in respect of the fisheries research board.

TABLE 23

(in millions of dollars)

Fisheries	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Fisheries management and development—			
Conservation and development services	14.4	11.3	3.1
Industrial development service	3.8	2.8	1.0
Grants, contributions and subsidies	4.1	3.9	0.2
Inspection service	2.5	2.5	
Canadian share of the expenses of international commissions	1.4	1.3	0.1
Other	2.3	2.3	
	28.5	*24.1*	*4.4*
Fisheries Research Board of Canada	11.0	9.0	2.0
Administration and general	1.7	1.4	0.3
	41.2	34.5	6.7

Forestry and Rural Development

Expenditures of the Department of Forestry and Rural Development amounted to $66 million compared with $57 million in the previous fiscal year.

The increase was due mainly to higher expenditures of $20 million in respect of programs for rural development under the Agricultural Rehabilitation and Development Act and the Maritime Marshland Rehabilitation Act compared with $14 million in 1965–66.

Outlays for freight assistance and grain storage costs on western feed grains at $21 million were in the same amount as in 1965–66, outlays of $13 million for forestry research and research institutes were $2 million higher than in 1965–66 and contributions to provinces for assistance in forest inventory, reforestation, forest fire protection, forest stand improvement and forest access road construction at $11 million were $2 million higher.

TABLE 24

(in millions of dollars)

Forestry and Rural Development	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Forestry—			
Regional research and services	8.1	7.9	0.2
Research institutes	3.4	1.6	1.8
Administration	1.5	1.4	0.1
Contributions to the provinces—			
Assistance in forest inventory, reforestation, forest fire protection and forest stand improvement	8.0	6.6	1.4
Forest access road construction	2.5	2.0	0.5
	23.5	*19.5*	*4.0*
Freight assistance and grain storage costs on western feed grains	21.0	21.0	
Rural development—			
Agricultural Rehabilitation and Development Act	18.3	13.4	4.9
Maritime Marshland Rehabilitation Act	1.6	0.7	0.9
	19.9	*14.1*	*5.8*
Administration and general	2.1	2.5	−0.4
	66.5	57.1	9.4

Indian Affairs and Northern Development

Expenditures of the Department of Indian Affairs and Northern Development were $198 million compared with $156 million in the previous fiscal year.

Indian affairs expenditures were $104 million, an increase of $22 million over the previous year's total. There were increases of $11 million in respect of development and maintenance of Indian communities and $11 million for education.

TABLE 25

(in millions of dollars)

Indian Affairs and Northern Development	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Indian affairs—			
Education	53.0	41.7	11.3
Development and maintenance of Indian communities	45.6	34.7	10.9
Administration and general	5.7	5.3	0.4
	104.3	*81.7*	*22.6*
Northern administration—			
Northwest Territories and other field services	21.7	16.5	5.2
Education	12.0	10.2	1.8
Welfare and industrial divisions	7.6	4.6	3.0
Yukon Territory	7.0	5.2	1.8
Payments to governments of Yukon Territory and Northwest Territories	6.3	5.5	0.8
Administration	1.4	1.2	0.2
	56.0	*43.2*	*12.8*
Natural and historic resources	34.1	29.0	5.1
Administration and general	3.6	2.5	1.1
	198.0	156.4	41.6

Outlays of $56 million in respect of northern administration were $13 million more than in 1965–66 and outlays of $34 million for natural and historic resources were $5 million more than in the previous fiscal year.

Industry

Non-defence expenditures of this department were $13 million in 1966–67 compared with $5 million in the previous year.

The increase was due mainly to expenditures of $3 million to provide incentives for the development of industrial employment opportunities in designated areas in Canada, for which there was no comparative expenditure in 1965–66, and an increase of $4 million for technological capability of Canadian manufacturing industry by supporting selected civil (non-defence) development projects.

TABLE 26

(in millions of dollars)

Industry[1]	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Technological capability of Canadian manufacturing industry	4.6	0.4	4.2
Incentives for the development of industrial employment opportunities in designated areas in Canada	2.5		2.5
Administration and general	6.3	5.0	1.3
	13.4	5.4	8.0

[1]Additional expenditures of $21.3 million are included under "defence expenditure".

Justice

Expenditures of the Department of Justice at $12 million, of which $9 million was for judges salaries, travelling allowances and pensions and $3 million for administration, were $1 million more than in 1965–66.

TABLE 27

(in millions of dollars)

Justice	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Judges salaries, travelling allowances and pensions	9.4	9.0	0.4
Administration and general	2.9	2.4	0.5
	12.3	11.4	0.9

Labour

Expenditures of the Department of Labour totalled $26 million compared with $24 million in 1965–66.

Under the winter house building program payments are made, in accordance with terms and conditions approved by the Governor in Council, of $500 per dwelling unit substantially built during the period November 15, 1965 to April 15, 1966 and in respect of previous winter house building incentive programs. In 1966–67 payments amounted to $15 million, approximately the same as in the previous fiscal year.

Payments under the Government Employees Compensation Act totalled $3 million in 1966–67, slightly more than in 1965–66.

TABLE 28

(in millions of dollars)

Labour	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Winter house building incentive program	15.3	15.8	−0.5
Payments under the Government Employees Compensation Act	3.1	2.8	0.3
Administration and general	7.3	5.4	1.9
	25.7	24.0	1.7

Legislation

Costs of Legislation were $18 million compared with $15 million in 1965–66.

TABLE 29

(in millions of dollars)

Legislation	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
House of Commons	13.9	11.5	2.4
The Senate	3.1	2.7	0.4
Library of Parliament	0.6	0.5	0.1
	17.6	14.7	2.9

Manpower and Immigration

Expenditures of the Department of Manpower and Immigration were $321 million, an increase of $84 million over the total of $237 million in the previous fiscal year.

Payments of $223 million to provinces under the Technical and Vocational Training Assistance Act were $70 million more than the 1965–66 total, payments of $37 million to provinces and in respect of Indian bands under the municipal winter works incentive program were $4 million less, outlays of $34 million in respect of the national employment service were $11 million more and immigration expenditures of $21 million were $7 million higher than in 1965–66.

Expenditures in respect of citizenship, which were included previously under the Department of Citizenship and Immigration, are included now under expenditures of the Department of the Secretary of State.

TABLE 30

(in millions of dollars)

Manpower and Immigration	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Technical and Vocational Training Assistance Act—			
Payments to provinces	223.1	152.8	70.3
Administration and general	1.0	1.1	−0.1
	224.1	*153.9*	*70.2*
Municipal winter works incentive program	37.3	41.1	−3.8
National employment service	33.8	22.7	11.1
Immigration	21.0	14.3	6.7
Administration and general	4.5	4.5	
	320.7	236.5	84.2

National Health and Welfare

Expenditures of the Department of National Health and Welfare at $1,316 million were $141 million more than the previous year's total of $1,175 million due mainly to increases of $78 million in the government's contributions under

TABLE 31

(in millions of dollars)

National Health and Welfare	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Welfare services—			
Family allowances	555.8	551.7	4.1
Youth allowances	47.4	46.5	0.9
Old age assistance	20.1	26.9	−6.8
Blind persons allowances	3.4	3.6	−0.2
Disabled persons allowances	14.6	15.0	−0.4
Unemployment assistance	143.4	101.7	41.7
Canada assistance plan	10.4		10.4
Fitness and amateur sport	4.7	2.5	2.2
Family assistance	5.0	2.8	2.2
Other	7.1	6.3	0.8
	811.9	*757.0*	*54.9*
Health services—			
Government's contributions under the Hospital Insurance and Diagnostic Services Act	397.5	319.6	77.9
Grants to provinces—			
General health	26.6	27.9	−1.3
Hospital construction	18.9	17.6	1.3
Health resources fund	4.7		4.7
Other	8.3	7.6	0.7
	456.0	*372.7*	*83.3*
Medical services	38.2	37.5	0.7
Food and drug services	6.8	5.4	1.4
Administration and general	3.1	2.5	0.6
	1,316.0	1,175.1	140.9

the Hospital Insurance and Diagnostic Services Act, $10 million under the Canada assistance plan for which there was no comparative expenditure in 1965–66 and $42 million under the Unemployment Assistance Act.

Welfare services accounted for $812 million, $55 million more than in 1965–66, health services accounted for $456 million compared with $373 million and medical services accounted for $38 million, $1 million more than in the previous fiscal year.

Family allowances

Family allowances are payable in respect of all children under sixteen years of age, resident in Canada, with minor exceptions such as in the case of children of immigrants who must reside in Canada one year before an allowance is payable. The monthly allowance is $6 if the child is under 10 years of age and $8 in the age group 10 to 15. Children of immigrants receive family assistance at the same rates during their first year of residence in Canada.

In 1966–67 payments of $556 million accounted for 6 per cent of all budgetary expenditure compared with $552 million and 7 per cent in 1965–66.

TABLE 32

(in millions of dollars)

Family Allowances Payments	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Newfoundland	17.0	16.9	0.1
Nova Scotia	21.5	21.6	−0.1
Prince Edward Island	3.2	3.2	
New Brunswick	18.8	19.0	−0.2
Quebec	165.2	165.0	0.2
Ontario	185.2	182.4	2.8
Manitoba	25.6	25.9	−0.3
Saskatchewan	26.9	27.0	−0.1
Alberta	42.6	42.4	0.2
British Columbia	48.5	47.0	1.5
Northwest and Yukon Territories	1.3	1.3	
	555.8	551.7	4.1

Youth allowances

Under provision of the Youth Allowances Act allowances of $10 per month are payable in respect of persons resident in Canada, other than those resident in the Province of Quebec, who have attained the age of 16 years and have not attained the age of 18 years who are in full time attendance at a school or university or are by reason of mental or physical infirmity precluded from attending school or university. In 1966–67 payments totalled $47 million, $1 million more than in 1965–66.

No payments were made under this act in respect of persons resident in the Province of Quebec. However, under authority of the Federal-Provincial Fiscal Revision Act, 1964 abatements in federal income taxes otherwise payable by individuals resident in the Province of Quebec were allowed in compensation of the fact that the payment of youth allowances had been assumed by the province and to allow for the imposition of the required provincial income taxes.

TABLE 33
(in millions of dollars)

Youth Allowances Payments	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Newfoundland	1.7	1.6	0.1
Nova Scotia	2.7	2.7	
Prince Edward Island	0.4	0.4	
New Brunswick	2.3	2.3	
Ontario	22.4	22.0	0.4
Manitoba	3.3	3.3	
Saskatchewan	3.4	3.4	
Alberta	4.9	4.8	0.1
British Columbia	6.1	5.9	0.2
Northwest and Yukon Territories	0.2	0.1	0.1
	47.4	46.5	0.9

Old age assistance, blind persons allowances, disabled persons allowances and unemployment assistance

Under the Old Age Assistance Act, the federal government reimburses the provinces by paying 50 per cent of the lesser of $75 monthly or the amount of assistance given by the provinces in the form of monthly pensions to eligible persons in need who are in the age group 65 to 69. (Under the Old Age Security Act, all persons who satisfy the residence requirements of the act may receive a pension of $75 per month from the federal government out of the old age security fund provided that no pension is paid in any month before January 1966 in which the person had not attained 70 years of age, the age limit being reduced by one in each subsequent year until 1970.) An amendment to the Old Age Security Act authorizes the payment of a monthly guaranteed income supplement to eligible pensioners. The amount of the supplement that may be paid to a pensioner for a month is (a) in the year 1967, $30, and (b) in any year after 1967, 40 per cent of the amount of the pension that may be paid to him for that month, dependent upon the amount of his income for the preceding year. Similarly, the federal government reimburses the provinces under the Blind Persons Act for allowances of not more than $75 per month to blind persons in need 18 years of age or over by paying 75 per cent of the total payments, and under the Disabled Persons Act by paying 50 per cent of not more than $75 per month for allowances to disabled persons in need 18 years of age or over. In 1966–67 payments for old age assistance amounted to $20 million, for disabled persons allowances $15 million and for blind persons allowances $3 million. In 1965–66 payments were $27 million for old age assistance, $15 million for disabled persons allowances and $4 million for blind persons allowances. The decrease in the old age assistance payments was due to the lowering of the age limit for old age security benefits. The Province of Quebec has opted out of these programs under federal-provincial agreement.

Under the Unemployment Assistance Act, the Minister may, with the approval of the Governor in Council, enter into an agreement with any province for the payment by Canada to the province of contributions not exceeding 50 per cent of unemployment assistance costs in the province. Contributions in 1966–67 were $143 million compared with $102 million in 1965–66. Under federal-provincial agreement the Province of Quebec has opted out of a portion of this program.

The following table presents a distribution of these payments to provinces for 1966–67:

TABLE 34

(in millions of dollars)

Federal Share of Old Age Assistance, Disabled Persons Allowances, Blind Persons Allowances and Unemployment Assistance	Fiscal year ended March 31, 1967 (preliminary)			
	Old age assistance	Disabled persons allowances	Blind persons allowances	Unemployment assistance
Newfoundland	1.6	0.6	0.3	8.7
Nova Scotia	1.7	1.6	0.4	3.0
Prince Edward Island	0.5	0.4	0.1	0.4
New Brunswick	1.7	1.0	0.4	2.4
Quebec				35.2
Ontario	7.5	8.4	1.2	45.8
Manitoba	1.5	0.6	0.2	6.8
Saskatchewan	1.3	0.1	0.2	6.4
Alberta	2.0	0.9	0.3	13.4
British Columbia	2.2	1.0	0.3	21.2
Northwest and Yukon Territories	0.1	(1)	(1)	0.1
	20.1	14.6	3.4	143.4

(1) Less than $50,000.

Canada assistance plan

The Canada assistance plan was enacted in 1966 authorizing the making of contributions to provinces by Canada towards the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

Expenditures during 1966–67 amounted to $10 million. There were no comparative expenditures in 1965–66.

Government's contributions under the Hospital Insurance and Diagnostic Services Act

Contributions of $398 million to the provinces under the Hospital Insurance and Diagnostic Services Act were $78 million more than the 1965–66 total. Under federal-provincial agreement, the Province of Quebec has opted out of this program.

TABLE 35

(in millions of dollars)

Government's Contributions under the Hospital Insurance and Diagnostic Services Act	Fiscal year ended March 31		Increase or decrease (—)
	1967 (preliminary)	1966	
Newfoundland	12.5	11.7	0.8
Nova Scotia	19.9	18.1	1.8
Prince Edward Island	2.7	2.4	0.3
New Brunswick	16.2	14.9	1.3
Quebec	(1)4.0	(2)26.9 Cr.	30.9
Ontario	192.8	171.9	20.9
Manitoba	25.4	23.1	2.3
Saskatchewan	28.0	25.9	2.1
Alberta	44.4	36.9	7.5
British Columbia	50.5	40.5	10.0
Northwest and Yukon Territories	1.1	1.1	
	397.5	319.6	77.9

(1) Adjustment for 1964.

(2) Transferred as a charge to payments under the Established Programs (Interim Arrangements) Act by the Department of Finance.

27053—65

General health grants and hospital construction grants to provinces

Grants to provinces for general health services totalled $27 million and for hospital construction grants $19 million compared with $28 million and $18 million respectively in 1965–66. Under federal-provincial agreement the Province of Quebec has opted out of a portion of this program.

TABLE 36

(in millions of dollars)

General Health Grants and Hospital Construction Grants	Fiscal year ended March 31, 1967 (preliminary)		
	General health grants	Hospital construction grants	Total
Newfoundland	1.0	0.8	1.8
Nova Scotia	1.5	0.4	1.9
Prince Edward Island	0.3	0.1	0.4
New Brunswick	1.1	0.5	1.6
Quebec	1.0	3.0	4.0
Ontario	11.7	7.0	18.7
Manitoba	2.4	1.0	3.4
Saskatchewan	1.8	1.6	3.4
Alberta	2.4	1.7	4.1
British Columbia	3.3	2.7	6.0
Northwest and Yukon Territories	0.1	0.1	0.2
	26.6	18.9	45.5

Health resources fund

The Health Resources Fund Act provides for the establishment of a health resources fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions.

Expenditures during 1966–67 amounted to $5 million. There were no comparative expenditures in the previous fiscal year.

National Research Council, including the Medical Research Council

Expenditures of the National Research Council, including the Medical Research Council, were $96 million, an increase of $22 million over the previous year's total.

TABLE 37

(in millions of dollars)

National Research Council, including the Medical Research Council	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Scholarships and grants in aid of research	46.7	33.7	13.0
Construction or acquisition of buildings, works, land and equipment	8.1	6.1	2.0
Assistance towards research in industry	4.2	3.3	0.9
Administration and general	37.1	31.3	5.8
	96.1	74.4	21.7

Outlays of $47 million in respect of scholarships and grants in aid of research accounted for $13 million of the increase and higher outlays of $37 million for administration accounted for $6 million.

National Revenue

Expenditures of the Department of National Revenue amounted to $106 million, an increase of $11 million over the 1965–66 total of $95 million.

TABLE 38

(in millions of dollars)

National Revenue	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Customs and excise	54.0	47.7	6.3
Taxation	51.7	47.0	4.7
Income tax appeal board	0.3	0.3	
	106.0	95.0	11.0

Post Office

Costs of the Post Office Department charged to budgetary expenditure at $269 million were $29 million more than in 1965–66 due mainly to normal staff growth and to salary increases.

Costs of operations at $183 million were $22 million more than in the previous fiscal year and costs of movement of mail at $78 million were $6 million more.

TABLE 39

(in millions of dollars)

Post Office	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Charged to budgetary expenditure—			
Operations—salaries and other expenses of staff post offices, district offices and railway mail services; and supplies and equipment and other items for revenue post offices	182.9	160.9	22.0
Transportation—movement of mail by land, air and water	78.4	72.6	5.8
Financial services	3.7	3.6	0.1
Administration and general	3.7	3.1	0.6
	268.7	*240.2*	*28.5*
Charged to revenue—			
Operations—salaries of postmasters and staffs at revenue and semi-staff offices, commissions paid at sub-offices and other disbursements	40.5	38.5	2.0
	309.2	278.7	30.5

Remuneration of postmasters and staffs at revenue and semi-staff offices and certain other authorized disbursements are paid from revenue. These payments at $40 million ($2 million more than in 1965–66) brought gross post office expenditures to $309 million in 1966–67.

Public Works

Expenditures of the Department of Public Works amounted to $294 million, $19 million more than in 1965–66.

Accommodation services

Expenditures for these services were $109 million, $7 million higher than the 1965–66 total.

TABLE 40

(in millions of dollars)

Public Works	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Accommodation services—			
Maintenance and operation of public buildings and grounds—			
Ottawa and Hull	28.2	24.4	3.8
Other than Ottawa and Hull	41.6	38.0	3.6
Office furniture and furnishings	5.0	4.1	0.9
Acquisition of equipment and furnishings other than office furnishings	0.9	1.2	−0.3
Construction, acquisition, major repairs, etc. of public buildings—			
Ottawa	14.7	17.0	−2.3
Other than Ottawa	18.5	17.0	1.5
	108.9	*101.7*	*7.2*
Harbours and rivers engineering services—			
Operation and maintenance	7.5	7.4	0.1
Construction or acquisition of equipment	1.0	0.5	0.5
Construction, acquisition, major repairs, etc. of harbour and river works	29.0	27.3	1.7
Dry dock subsidies	0.2	0.2	
	37.7	*35.4*	*2.3*
Roads, bridges and other engineering services—			
Operation and maintenance	6.0	5.5	0.5
Construction, acquisition, major repairs and improvements of, and plans and sites for, roads, bridges and other engineering works	8.0	4.8	3.2
Trans-Canada highway—			
Contributions to provinces under terms of the Trans-Canada Highway Act	81.1	83.4	−2.3
Construction through national parks	0.5	0.3	0.2
	95.6	*94.0*	*1.6*
National Capital Commission—			
Operation and maintenance	4.7	3.8	0.9
Interest charges (net)	3.3	2.7	0.6
Payment to the national capital fund	25.0	12.1	12.9
	33.0	*18.6*	*14.4*
Testing laboratories	1.2	1.1	0.1
Federal share of an ice control structure		7.5	−7.5
Administration and general	18.0	16.8	1.2
	294.4	275.1	19.3

Maintenance and operation of public buildings and grounds at $75 million were $8 million higher and construction or acquisition of buildings, etc. at $33 million were $1 million less than in 1965–66.

Harbours and rivers engineering services

Expenditures for these services totalled $38 million, $2 million higher than in 1965–66 due mainly to an increase in outlays for construction or acquisition, etc. of harbour and river works which were $29 million compared with $27 million in the previous fiscal year.

Roads, bridges and other engineering services

Expenditures for these services totalled $96 million, $2 million more than in 1965–66. Contributions of $81 million to provinces in respect of the Trans-Canada highway were $2 million less than in 1965–66.

National Capital Commission

Expenditures of the National Capital Commission were $33 million, $14 million more than in 1965–66.

Payments into the national capital fund amounted to $25 million, an increase of $13 million over the previous year. Outlays for the operation and maintenance of parks, parkways, etc. at $5 million were $1 million more than in the previous fiscal year and interest charges of $3 million were $1 million more than in the previous year.

Secretary of State

Expenditures of the Department of the Secretary of State amounted to $134 million, an increase of $80 million over the previous fiscal year's total.

TABLE 41

(in millions of dollars)

Secretary of State	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
University grants	87.1	27.7	59.4
Centennial Commission—			
Programs and projects of national significance	12.7	3.8	8.9
Payment to the centennial of confederation fund	13.0	9.0	4.0
General administration	4.5	1.8	2.7
	30.2	*14.6*	*15.6*
National Arts Centre—			
Construction or acquisition of buildings, works, land and equipment	6.5	3.7	2.8
Administration	0.1	0.1	
	6.6	*3.8*	*2.8*
Translation bureau	3.5	2.7	0.8
Citizenship	2.6	2.1	0.5
National Museum of Canada	2.6	1.7	0.9
Office of the Representation Commissioner	0.2	0.8	−0.6
Administration and general	1.1	0.7	0.4
	133.9	54.1	79.8

Payments of $87 million to the association of universities and colleges of Canada for the purpose of making grants to universities of higher learning were $59 million higher than in 1965–66. These expenditures, in previous years, were included under the Department of Finance.

Centennial Commission expenditures of $30 million were $16 million higher than in 1965–66 due mainly to increases of $9 million in outlays for programs and projects of national significance and $4 million in payments to the centennial of confederation fund to enable grants to be made to the provinces for local projects of a lasting nature.

Expenditures of the National Arts Centre at $7 million were $3 million higher than in 1965–66. The previous year's expenditures were included in the expenditures of the Centennial Commission.

Outlays of $4 million in respect of the translation bureau, $3 million in respect of citizenship and $3 million in respect of the National Museum of Canada were each $1 million higher than in 1965–66.

Expenditures in respect of the companies and corporations branch, which in previous years were included under this department, are now included under expenditures of the Department of the Registrar General.

Solicitor General

Expenditures of the Department of the Solicitor General amounted to $160 million compared with $139 million in the previous fiscal year. The main change was an increase of $20 million in respect of the Royal Canadian Mounted Police.

TABLE 42

(in millions of dollars)

Solicitor General	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Royal Canadian Mounted Police—			
Land, air and training divisions	72.4	59.5	12.9
Headquarters administration and national police services	12.7	10.7	2.0
Pensions and other benefits—			
Pensions	4.9	4.5	0.4
Royal Canadian Mounted Police superannuation account—			
Government's contribution	4.5	3.9	0.6
Amortization of deferred charges	3.3	1.0	2.3
Other	1.0	0.2	0.8
Marine services	2.8	2.2	0.6
	101.6	*82.0*	*19.6*
Correctional services—			
Administration of the Canadian penitentiaries service	1.0	0.8	0.2
Operation and maintenance of penitentiaries	36.7	26.6	10.1
Parole Act administration	1.3	0.9	0.4
Construction or acquisition of buildings, works, land and equipment	18.6	28.2	−9.6
	57.6	*56.5*	*1.1*
Office of the Solicitor General	0.6	0.4	0.2
	159.8	138.9	20.9

Royal Canadian Mounted Police

Expenditures of the Royal Canadian Mounted Police were $102 million compared with $82 million in 1965–66. Receipts of $17 million, arising out of expenditures for policing certain provinces, territories and municipalities, were credited to revenue. In 1965–66 receipts of $16 million were credited to revenue.

Correctional services

Outlays of $58 million in respect of correctional services were $1 million higher than in 1965–66 due mainly to the cost of operation and maintenance of penitentiaries increasing to $37 million from $27 million being partly offset by construction or acquisition of buildings, etc. decreasing to $19 million from $28 million in the previous fiscal year.

Trade and Commerce

Expenditures of the Department of Trade and Commerce including the Canadian Wheat Board were $73 million, $5 million higher than in 1965–66.

Outlays of $10 million in respect of the Canadian government travel bureau were $4 million higher than in 1965–66, outlays of $9 million in respect of the Canadian corporation for the 1967 world exhibition were $4 million higher and outlays of $9 million in respect of the trade commissioner service were $1 million higher. There was also an increase of $1 million in respect of the exhibitions branch.

Expenditures of the Dominion Bureau of Statistics, which in previous years were included in expenditures of the Department of Trade and Commerce, are now shown under their own heading. Previous year's figures have been amended for purposes of comparison.

Canadian Wheat Board

Expenditures of the Canadian Wheat Board which were included under the Department of Finance in 1965–66 are now included under the Department of Trade and Commerce. Previous year's figures have been amended for purposes of comparison.

TABLE 43

(in millions of dollars)

Trade and Commerce	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Canadian Wheat Board—			
Carrying costs of temporary wheat reserves	29.9	36.8	−6.9
Prairie Grain Advance Payments Act	0.6	0.7	−0.1
	30.5	*37.5*	*−7.0*
Trade commissioner service	8.6	7.8	0.8
Canadian government travel bureau	9.9	6.3	3.6
Canadian corporation for the 1967 world exhibition—			
Canadian government participation	8.9	4.6	4.3
Exhibitions branch	4.3	2.8	1.5
Standards branch	3.9	3.5	0.4
Administration and general	6.8	5.5	1.3
	72.9	68.0	4.9

Expenditures during 1966–67 amounted to $31 million compared with $38 million in the previous fiscal year and were mainly in respect of carrying costs of temporary wheat reserves.

Transport

Expenditures of the Department of Transport including the Atlantic Development Board were $603 million compared with $532 million in 1965–66.

Air services

Outlays for air services at $166 million were $23 million higher than the 1965–66 total due mainly to an increase of $12 million in respect of airports and other ground services.

Board of Transport Commissioners

Expenditures in respect of the board amounted to $138 million compared with $110 million in 1965–66.

Included are $116 million in payments to the railways for the maintenance of the rates of freight traffic compared with $88 million in 1965–66, $5 million in payments to railways for maintenance of trackage in northern Ontario compared with $7 million and $15 million in contributions to the railway grade crossing fund compared with $14 million in the previous year. The increase in the maintenance of the rates of freight traffic was due to the payment in 1966 of amounts owing to the railways in the two previous calendar years in respect of the 1967 wage settlement.

Marine services

Expenditures of $100 million for marine services were $16 million more than in 1965–66. Included in these expenditures are $56 million in respect of the Canadian coast guard, $7 million higher than in 1965–66, and $19 million in respect of aids to navigation, $4 million more than in the previous year.

Railways and steamships

Expenditures for these services were $86 million compared with $100 million in the previous fiscal year.

Costs of construction or acquisition of buildings, works, land, etc. were $25 million, $2 million higher than in 1965–66 due mainly to construction of dock and terminal facilities in respect of North Sydney—Port aux Basques and Argentia, Nfld. ferry services; payments under the Maritime Freight Rates Act at $15 million were slightly less than in 1965–66; and the subsidy of $1 million in respect of a railway to Great Slave Lake was $8 million less.

The charge of $25 million to budgetary expenditure in 1966–67 to cover the 1966 operating deficit of the Canadian National Railways was $9 million less than the charge of $34 million in 1965–66 to cover the railway's 1965 operating deficit.

Canadian Maritime Commission

Expenditures of the commission in the amount of $47 million were $3 million less than in 1965–66 due mainly to a decrease in outlays in respect of capital subsidies for the construction of commercial and fishing vessels.

TABLE 44

(in millions of dollars)

Transport	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Air services—			
Airports and other ground services	63.6	51.2	12.4
Radio aids to air and marine navigation	38.1	39.3	−1.2
Meteorological services	26.6	23.7	2.9
Air traffic control	12.5	9.7	2.8
Control of civil aviation	7.8	6.3	1.5
Radio Act and Regulations	4.9	4.1	0.8
Administration and general	12.2	8.7	3.5
	165.7	*143.0*	*22.7*
Board of Transport Commissioners for Canada—			
Payments to the railways for the maintenance of the rates of freight traffic	115.9	87.6	28.3
Maintenance of trackage	4.8	7.0	−2.2
Contributions to the railway grade crossing fund	15.0	14.0	1.0
Administration and general	2.0	1.6	0.4
	137.7	*110.2*	*27.5*
Marine services—			
Canadian coast guard	56.1	49.1	7.0
Aids to navigation	18.9	14.6	4.3
Canals	8.7	8.5	0.2
Marine hydraulics including the St. Lawrence and Saguenay Rivers ship channels	7.3	5.9	1.4
Marine regulations	7.2	5.0	2.2
Administration and general	1.8	1.4	0.4
	100.0	*84.5*	*15.5*
Railways and steamships—			
Construction or acquisition	25.4	23.8	1.6
Maritime Freight Rates Act—			
Difference between tariffs and normal tolls	15.0	15.1	−0.1
Railway to Great Slave Lake	1.3	9.7	−8.4
Victoria Bridge	0.8	0.8	
Deficits—			
Canadian National Railways	24.6	33.4	−8.8
Newfoundland ferry and terminals	13.0	12.4	0.6
Prince Edward Island car ferry and terminals	4.6	4.2	0.4
Yarmouth, N.S.—Bar Harbour, Maine, U.S.A. ferry service	0.1		0.1
Other	0.8	0.7	0.1
	85.6	*100.1*	*−14.5*
Canadian Maritime Commission	47.0	50.3	−3.3
Atlantic Development Board—			
Payments to the Atlantic Development Board	29.6	20.9	8.7
Federal share of the cost of a trunk highway program	8.6	2.1	6.5
Administration and general	1.8	0.8	1.0
	40.0	*23.8*	*16.2*
Canals and works entrusted to The St. Lawrence Seaway Authority—			
Welland Canal deficit	10.0	8.2	1.8
Other operating deficit and capital requirements	2.9	1.9	1.0
	12.9	*10.1*	*2.8*
National Harbours Board	7.0	4.8	2.2
Administration and general	7.5	5.7	1.8
	603.4	532.5	70.9

27053—66

Atlantic Development Board

Expenditures of $40 million in respect of the Atlantic Development Board were $16 million more than the previous year's total.

The increase was due mainly to payments of $30 million to the board, which were credited to the Atlantic development fund to finance and assist in financing programs and projects as contemplated by the board, and outlays of $9 million for the federal share of the cost of a trunk highway program for the Atlantic provinces. Comparative amounts were $21 million and $2 million, respectively, in 1965–66.

Canals and works entrusted to The St. Lawrence Seaway Authority

Expenditures of $13 million were $3 million more than in 1965–66 due to increases of $2 million in the Welland Canal deficit for 1966 and $1 million for other operating deficit and capital requirements.

National Harbours Board

Non-active advances to the board which are charged to budgetary expenditure totalled $7 million in 1966–67, $2 million more than in 1965–66. The net increase reflected increases of $2 million and $1 million in respect of reconstruction and capital expenditures of the Halifax and Quebec harbours, respectively and $1 million in the operating deficit of the Jacques Cartier Bridge, Montreal, partly offset by a decrease of $3 million in expenditures in connection with the 1967 World Exhibition.

In addition, loans to the board amounted to $17 million in 1966–67.

Treasury Board

Expenditures of the Treasury Board amounted to $153 million in 1966–67, an increase of $50 million over the total for 1965–66. In previous years, these expenditures were included under the Department of Finance. Previous year's figures have been amended for purposes of comparison.

TABLE 45

(in millions of dollars)

Treasury Board	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Public service superannuation account—			
Government's contribution	59.3	57.8	1.5
Amortization of deferred charges	56.4	25.9	30.5
	115.7	*83.7*	*32.0*
Government's contributions as an employer—			
Canada pension plan and the Quebec pension plan	14.5	4.1	10.4
Unemployment insurance fund	1.2	1.1	0.1
	15.7	*5.2*	*10.5*
Government's share of surgical-medical insurance premiums	15.2	9.7	5.5
Administration and general	6.4	4.1	2.3
	153.0	102.7	50.3

Public service superannuation account

The government's contribution to the public service superannuation account, in an amount equal to the estimated current and prior service payments of individuals in 1965–66, was $59 million compared with $58 million in 1965–66.

A further amount of $56 million, equal to one fifth of the actuarial deficiencies arising out of pay increases, was charged to budgetary expenditure in 1966–67, $30 million more than in the previous fiscal year.

Contribution to the Canada pension plan and the Quebec pension plan

The government's contribution as an employer to these pension plans amounted to approximately $15 million compared with $4 million in 1965–66. The increase was due to the fact that 1965–66 contributions covered only three months as the plan was effective from January 1, 1966.

Unemployment Insurance Commission

Expenditures for the commission amounted to $106 million including the government's contribution of $69 million to the fund. In 1965–66 expenditures were $98 million of which $66 million was the government's contribution.

Unemployment benefit payments are not charged to budgetary expenditure but are paid from the fund which is financed by equal contributions from employees and employers, by interest earned on investments and by the government's contribution of an amount equal to one fifth of the combined employee-employer contributions. Further information about the fund is given under the liability category "annuity, insurance and pension accounts".

TABLE 46
(in millions of dollars)

Unemployment Insurance Commission	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Government's contribution to the unemployment insurance fund	68.7	65.6	3.1
Administration of the Unemployment Insurance Act	37.2	32.4	4.8
	105.9	98.0	7.9

Veterans Affairs

Expenditures of the Department of Veterans Affairs were $391 million, an increase of $21 million over the 1965–66 total.

War veterans allowances and civilian allowances at $104 million were $4 million higher, pensions for disability and death at $196 million were $10 million higher and costs of $55 million for treatment services were $5 million higher than in 1965–66.

27053—66½

TABLE 47
(in millions of dollars)

Veterans Affairs	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Pensions—			
Disability and death	196.1	185.6	10.5
Administration and general	3.2	2.8	0.4
	199.3	*188.4*	*10.9*
Welfare services, allowances and other benefits—			
War veterans allowances and civilian allowances	103.6	99.9	3.7
Assistance under provisions of the Assistance Fund (War Veterans Allowances) Regulations	5.9	5.7	0.2
Veterans welfare services	4.6	4.0	0.6
Treatment and related allowances	2.5	2.6	−0.1
Administration and general	3.6	3.6	
	120.2	*115.8*	*4.4*
Treatment services	54.6	49.9	4.7
Soldier settlement and veterans land act—			
Provision for reserve for conditional benefits	3.5	3.2	0.3
Administration and general	5.2	4.5	0.7
	8.7	*7.7*	*1.0*
Administration and general	8.4	7.9	0.5
	391.2	369.7	21.5

All Other Departments

Expenditures of the departments not dealt with individually amounted to $56 million, a decrease of $1 million from the total for 1965–66.

TABLE 48
(in millions of dollars)

All Other Departments	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Auditor General's Office	2.1	1.7	0.4
Board of Broadcast Governors	0.6	0.4	0.2
Office of the Chief Electoral Officer	0.9	13.0	−12.1
Defence Production[1]	9.4	8.2	1.2
Governor General and Lieutenant-Governors	0.8	0.7	0.1
Insurance	1.7	1.5	0.2
National Film Board	8.0	6.9	1.1
National Gallery of Canada	1.9	1.8	0.1
Privy Council	6.4	4.8	1.6
Economic Council of Canada	1.4	1.1	0.3
Public Archives and National Library	2.7	2.0	0.7
Public Printing and Stationery	4.0	3.0	1.0
Public Service Commission	10.9	8.0	2.9
Public Service Staff Relations Board	[2]		[2]
Registrar General	5.6	4.7	0.9
	56.4	57.8	−1.4

[1] See also under defence expenditure at the beginning of this section.
[2] Less than $50,000.

Expenditures under the Combines Investigation Act in respect of the restrictive trade practices commission and the office of investigation and research and expenditures of the patent division, copyright and industrial designs division and the trade marks office, which were included previously under Privy Council, expenditures in respect of the companies and corporations branch, which were included previously under the Department of the Secretary of State, and expenditures in respect of the Bankruptcy Act administration, which were included previously under expenditures of the Department of Justice, are now included under expenditures of the Department of the Registrar General.

The main changes were a decrease of $12 million in respect of the Office of the Chief Electoral Officer, which incurred expenditures of a general election in 1965-66, and small increases in expenditures of other departments under this heading.

ASSET AND LIABILITY ACCOUNTS

The assets and liabilities of the Government of Canada as at March 31, 1967, the comparable balance at March 31, 1966, and the changes in each category during 1966–67 are shown in condensed form in the following table:

TABLE 49
(in millions of dollars)

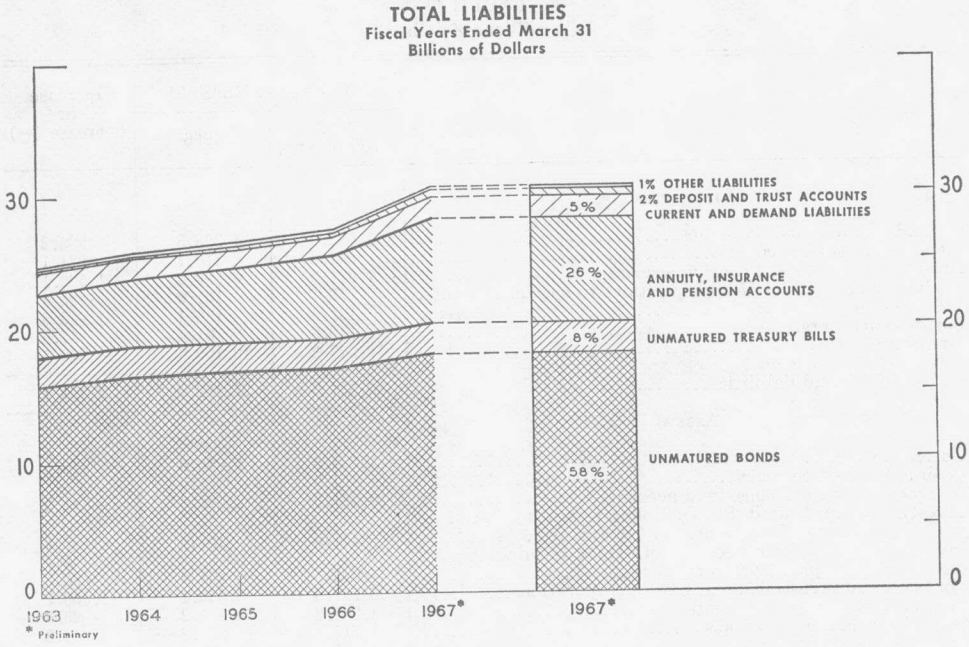
	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
LIABILITIES			
Current and demand liabilities	1,682.0	1,398.8	283.2
Deposit and trust accounts	541.8	310.7	231.1
Annuity, insurance and pension accounts	7,921.3	6,392.2	1,529.1
Undisbursed balances of appropriations to special accounts	78.1	101.9	−23.8
Deferred credits	137.6	138.1	−0.5
Suspense accounts	49.0	31.4	17.6
Unmatured debt	19,940.2	19,109.8	830.4
Total liabilities	30,350.0	27,482.9	2,867.1
ASSETS			
Current assets	1,395.5	1,016.0	379.5
Cash in blocked currency	1.0	1.0	
Advances to the exchange fund account	2,355.0	2,696.0	−341.0
Investments in United States dollar securities issued by other than the Government of Canada	180.0	187.2	−7.2
Investments held for retirement of unmatured debt	3.2		3.2
Canada pension plan investment fund	615.5	34.9	580.6
Loans to, and investments in, Crown corporations	6,727.8	5,659.1	1,068.7
Loans to national governments	1,201.6	1,225.2	−23.6
Other loans and investments	1,717.5	1,263.2	454.3
Securities held in trust	50.9	52.0	−1.1
Deferred charges	582.2	256.5	325.7
Capital assets	(1)	(1)	
Inactive loans and investments	94.8	94.8	
Total recorded assets	14,925.0	12,485.9	2,439.1
Less reserve for losses on realization of assets	−546.4	−546.4	
Net recorded assets	14,378.6	11,939.5	2,439.1
Net debt, represented by excess of liabilities over net recorded assets	15,971.4	15,543.4	(2)428.0

(1) Shown at nominal value of $1.
(2) Reflecting the budgetary deficit of $428 million.

Summary

The gross liabilities of the government totalled $30,350 million as at March 31, 1967 an increase of $2,867 million over the total at March 31, 1966. The main changes were increases of $283 million in current and demand liabilities, $231 million in deposit and trust accounts, $1,529 million in annuity, insurance and pension accounts and $830 million in unmatured debt.

Net recorded assets totalled $14,379 million as at March 31, 1967, an increase of $2,439 million over the total at March 31, 1966. The main changes were increases of $1,069 million in loans to, and investments in, Crown corporations, $380 million in current assets, $454 million in other loans and investments, $581 million in the Canada pension plan investment fund and $326 million in deferred charges partly offset by a decrease of $341 million in advances to the exchange fund account.



Liability Accounts

Current and demand liabilities

These liabilities, which consist of obligations of the government payable currently or on demand, in the amount of $1,682 million were $283 million more than the total at March 31, 1966.

The main changes during 1966–67 were increases of $111 million in non-interest-bearing notes payable on demand, $33 million in accrued interest, $50 million in outstanding treasury cheques and $77 million in accounts payable.

Non-interest-bearing notes represent those portions of Canada's equities in the capital of certain international agencies which are not covered by cash or gold. Notes in respect of the international monetary fund in the amount of $339 million were $106 million more than at March 31, 1966 and notes in respect of the international development association in the amount of $26 million were $4 million more.

TABLE 50
(in millions of dollars)

Current and Demand Liabilities	Balance at March 31		Increase or decrease (—)
	1967 (preliminary)	1966	
Outstanding treasury cheques	382.8	332.9	49.9
Accounts payable	457.0	380.3	76.7
Non-interest-bearing notes payable to—			
The international development association	26.0	22.4	3.6
The international monetary fund	339.0	233.0	106.0
The asian development bank	1.4		1.4
	366.4	*255.4*	*111.0*
Matured debt outstanding	30.7	27.3	3.4
Interest due and outstanding	113.0	110.9	2.1
Interest accrued	287.2	254.3	32.9
Post office—outstanding money orders	36.7	27.5	9.2
Outstanding letter of credit cheques	7.5	8.5	—1.0
Other current liabilities	0.7	1.7	—1.0
	1,682.0	1,398.8	283.2

Deposit and trust accounts

Sundry funds deposited with, or held in trust by, the Receiver General of Canada for various purposes are recorded in these accounts.

A net increase of $231 million during 1966-67 brought the total to $542 million as at March 31, 1967 due mainly to $196 million in refundable corporation tax and increases of $1 million in guarantee deposits, $8 million in the prairie farm emergency fund, $4 million in Royal Canadian Mint prepayments and $26 million in provincial tax collection agreements account partly offset by a decrease of $5 million in National Harbours Board—special accounts.

Refundable corporation tax is recorded as a contra in the asset category "current assets".

TABLE 51
(in millions of dollars)

Deposit and Trust Accounts	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Refundable corporation tax	196.2		196.2
Indian trust funds	34.1	32.0	2.1
Guarantee deposits—			
Energy, Mines and Resources	9.8		9.8
Indian Affairs and Northern Development	25.0	33.5	−8.5
National Revenue	5.4	5.6	−0.2
	40.2	*39.1*	*1.1*
Post office savings bank	20.1	22.0	−1.9
Crown corporations deposits—			
Atomic Energy of Canada Limited	4.0	5.0	−1.0
Crown Assets Disposal Corporation	0.8	0.7	0.1
Eldorado Mining and Refining Limited	10.0	10.0	
Export Credits Insurance Corporation	14.0	14.0	
Northern Ontario Pipe Line Crown Corporation	0.7	0.7	
	29.5	*30.4*	*−0.9*
Canadian Pension Commission—administration trust fund	16.0	15.2	0.8
National Harbours Board—special accounts	17.1	21.6	−4.5
Instalment purchase of bonds, public service	16.3	13.6	2.7
Contractors holdbacks	13.3	10.4	2.9
Contractors securities—sundry departments—			
Bonds	3.7	3.5	0.2
Cash	1.0	1.5	−0.5
Certified cheques	0.2	0.2	
	4.9	*5.2*	*−0.3*
Army benevolent fund	5.2	5.4	−0.2
Canadian Arsenals Limited pension fund	1.0	1.0	
Canadian vessel construction assistance	4.1	7.0	−2.9
Common school funds—Ontario and Quebec	2.7	2.7	
Emergency gold mining assistance—holdbacks	2.2	2.3	−0.1
Federal Republic of Germany	1.1	2.5	−1.4
Immigration guarantee fund	1.8	1.6	0.2
National Research Council—special fund	2.8	2.2	0.6
Northwest Territories revenue account	3.0	3.4	−0.4
Permanent services deferred pay	3.4	3.5	−0.1
Prairie farm emergency fund	10.8	3.3	7.5
Provincial tax collection agreements account	91.8	66.3	25.5
Royal Canadian Mint—prepayments	4.2	0.5	3.7
Veterans land act trust account—general	7.2	7.0	0.2
United States of America	0.1	0.6	−0.5
Veterans care trust fund	3.5	3.0	0.5
Other	9.2	8.9	0.3
	541.8	310.7	231.1

Annuity, insurance and pension accounts

This category records the government's liability in respect of various annuity, insurance and pension accounts.

During 1966–67 an increase of $1,529 million brought the total to $7,921 million as at March 31, 1967. The main changes were increases of $308 million in the public service superannuation account, $393 million in the Canadian forces superannuation account, $213 million in the old age security fund and $591 million in the Canada pension plan account.

TABLE 52

(in millions of dollars)

Annuity, Insurance and Pension Accounts	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Unemployment insurance fund	279.8	162.2	117.6
Less investment in bonds and accrued interest	−266.6	−148.6	−118.0
Uninvested funds on deposit with the government	13.2	13.6	−0.4
Superannuation accounts—			
Public service	2,698.0	2,390.4	307.6
Canadian forces	2,577.0	2,184.2	392.8
Royal Canadian Mounted Police	85.0	65.4	19.6
	5,360.0	*4,640.0*	*720.0*
Canada pension plan account	680.6	89.4	591.2
Government annuities	1,323.5	1,317.1	6.4
Old age security fund	429.6	217.0	212.6
Other	114.4	115.1	−0.7
	7,921.3	6,392.2	1,529.1

Unemployment insurance fund

The balance in the fund as at March 31, 1967 was $280 million (of which $21 million represented a liability for unredeemed warrants and deposits from employers) and consisted of $267 million invested in special government bonds (including accrued interest) and $13 million on deposit with the Receiver General.

TABLE 53

(in millions of dollars)

Unemployment Insurance Fund	Fiscal year ended March 31				
	1963	1964	1965	1966	1967 (preliminary)
Revenue—					
Contributions—					
Employee and employer[1]	286.4	296.6	310.8	328.3	352.9
Government[2]	57.3	59.3	62.1	65.7	68.7
Net income from investments	2.5	1.1	1.8	4.7	10.9
Other income	0.1	0.1	0.1	0.1	0.1
	346.3	357.1	374.8	398.8	432.6
Expenditure—					
Benefit payments	−403.2	−365.7	−335.0	−297.8	−315.6
Interest on loans		−0.2	−0.2		
Excess of revenue over expenditure or expenditure over revenue (−)	−56.9	−8.8	39.6	101.0	117.0
Balance at credit of fund at fiscal year-end	9.7	0.9	40.5	141.5	258.5
Unredeemed benefit warrants and deposits from employers	16.7	15.9	17.8	20.7	21.3
	26.4	16.8	58.3	162.2	279.8
Investment in bonds and accrued interest	−11.8		−44.0	−148.6	−266.6
Balance on deposit with the government	14.6	16.8	14.3	13.6	13.2

[1] Contributions by employees and employers are on an equal basis.
[2] Government contribution is equal to 20 per cent of the combined employee-employer contributions.

The balance in the fund at March 31, 1966 was $162 million (of which $21 million represented a liability for unredeemed warrants and deposits from employers) consisting of $149 million invested in special government bonds (including accrued interest) and $14 million on deposit with the government.

Receipts of $433 million during the fiscal year included employee and employer contributions of $353 million, the government's contribution of $69 million and $11 million in interest from investments. As benefit payments totalled $316 million, receipts exceeded payments from the fund by $117 million during 1966–67. Receipts during 1965–66 totalled $399 million and included employee and employer contributions of $328 million, the government's contribution of $66 million and $5 million in income from investments. Benefit payments during 1965–66 totalled $298 million.

Public service superannuation account

The balance of $2,698 million in this account as at March 31, 1967 was $308 million higher than the balance at the end of the previous fiscal year.

Receipts of $382 million during the year consisted of credits of $152 million in respect of a salary revision made in 1966–67, contributions of $68 million by individuals, a contribution of $59 million by the government, contributions of $4 million by certain Crown corporations and interest of $99 million credited to the account by the government. Contributions by the government and Crown corporations are equal to the estimated current and prior service payments of individuals in 1965–66. Interest at 4 per cent per annum is credited to the account quarterly and is computed quarterly on the outstanding balance at the end of the previous quarter.

Disbursements totalled $75 million and included $63 million in annuities and $11 million in withdrawals of contributions.

In 1965–66 receipts totalled $299 million and disbursements totalled $70 million.

TABLE 54

(in millions of dollars)

Public Service Superannuation Account	Fiscal year ended March 31				
	1963	1964	1965	1966	1967 (preliminary)
Receipts—					
Contributions—					
Employees	57.0	59.2	61.1	66.7	67.7
Crown corporations	2.9	3.0	3.4	3.7	3.7
Government	51.1	54.0	55.6	57.8	59.3
Interest	66.4	71.8	78.7	89.5	98.7
Actuarial liability adjustment			169.5	79.6	152.2
Other	11.6	1.1	1.3	1.2	0.6
	189.0	189.1	369.6	298.5	382.2
Disbursements—					
Annuities	43.6	47.8	52.6	57.7	62.8
Withdrawals of contributions	7.6	8.4	10.8	11.3	10.8
Other	0.6	0.6	0.8	0.9	1.0
	51.8	56.8	64.2	69.9	74.6
Excess of receipts over disbursements	137.2	132.3	305.4	228.6	307.6
Balance in fund brought forward	1,586.9	1,724.1	1,856.4	2,161.8	2,390.4
Balance at credit of fund	1,724.1	1,856.4	2,161.8	2,390.4	2,698.0

Canadian forces superannuation account

The balance of $2,577 million as at March 31, 1967 reflected an increase of $393 million during the fiscal year.

Receipts of $438 million included a credit of $279 million in respect of additional liabilities resulting from the quinquennial actuarial valuation made as at December 31, 1965, $24 million in contributions by personnel, $43 million in regular government contributions and $92 million in interest credited by the government. Regular government contributions are made at the rate of one and two-thirds times the current and prior service contributions by personnel. Interest at 4 per cent per annum is credited to the account quarterly and is computed quarterly on the outstanding balance at the end of the previous quarter.

Disbursements of $45 million included $36 million in pensions and $9 million in cash termination allowances and return of contributions.

In 1965–66 receipts were $193 million and disbursements were $37 million.

TABLE 55

(in millions of dollars)

Canadian Forces Superannuation Account	Fiscal year ended March 31				
	1963	1964	1965	1966	1967 (preliminary)
Receipts—					
Contributions—					
Personnel	34.5	36.0	35.2	34.1	24.4
Government	58.1	136.2	58.8	58.8	42.7
Interest	53.1	66.3	75.0	83.2	91.7
Actuarial liability	198.5		67.2	16.6	279.2
Other	0.3	0.2	0.2	0.3	0.3
	344.5	238.7	236.4	193.0	438.3
Disbursements—					
Pensions and retiring allowances	9.9	13.4	18.6	26.7	36.5
Cash termination allowances and return of contributions	8.0	9.5	11.0	10.1	8.8
Other	0.1	0.1	0.2	0.1	0.2
	18.0	23.0	29.8	36.9	45.5
Excess of receipts over disbursements	326.5	215.7	206.6	156.1	392.8
Balance in fund brought forward	1,279.3	1,605.8	1,821.5	2,028.1	2,184.2
Balance at credit of fund	1,605.8	1,821.5	2,028.1	2,184.2	2,577.0

Royal Canadian Mounted Police superannuation account

The balance of $85 million in this account as at March 31, 1967 was $20 million more than the previous fiscal year-end balance of $65 million.

Receipts during the year of $21 million consisted of a credit of $11 million to provide for additional liabilities resulting from pay increases, $2 million in contributions by personnel, $3 million in interest credited to the account and $5 million in contributions by the government.

Disbursements of $1 million consisted mainly of annuities and allowances, cash termination allowances and return of contributions.

In 1965–66 receipts were $8 million and disbursements were $1 million.

Canada pension plan account

The balance of $680 million in this account as at March 31, 1967 was $591 million higher than the balance at March 31, 1966.

Credits to the account of $600 million consisted of $589 million in contributions under the act, $10 million in interest earned on securities of Canada or the provinces and $1 million in interest earned on the operating balance in the account on deposit with the Receiver General. Charges to the account were $9 million and consisted mainly of administrative costs.

During the year securities totalling $581 million were purchased and are recorded in the asset account "Canada pension plan investment fund".

TABLE 56

(in millions of dollars)

Canada Pension Plan Account	Fiscal year ended March 31	
	1966	1967 (preliminary)
Receipts—		
Contributions	94.9	588.8
Interest on investments		10.3
Interest on operating balance	(1)	1.2
Other		0.2
	94.9	600.5
Payments—		
Administrative expenses	−5.5	−9.2
Benefit payments		−0.1
	−5.5	−9.3
Excess of receipts over payments	89.4	591.2
Balance in fund brought forward		89.4
Balance at credit of fund	89.4	680.6
Less investment in securities held in the Canada pension plan investment fund	−34.8	−615.5
Operating balance on deposit with the government	54.6	65.1

(1) Less than $50,000.

Government annuities account

The balance in this account as at March 31, 1967 of $1,323 million was $6 million higher than the balance at March 31, 1966. Receipts of $71 million included $20 million from premiums and $51 million in interest from the government. Disbursements of $65 million consisted mainly of vested annuity and commuted value payments and refunds of premiums. In 1965–66 receipts amounted to $78 million and disbursements were $64 million.

Old age security fund

Under the Old Age Security Act, as amended, all persons who satisfy the residence requirements of the act may receive a pension of $75 per month from the federal government out of the old age security fund provided that no pension is paid in any month before January 1966 in which the person had not attained 70 years of age, the age limit being reduced by one in each subsequent year until 1970.

Receipts of $1,286 million in 1966–67 exceeded pension payments of $1,073 million by $213 million leaving a balance in the fund of $430 million as at March 31, 1967.

In 1965–66 receipts of $1,169 million exceeded pension payments of $927 million by $242 million. Temporary loans of $25 million to the fund by the Minister of Finance as at March 31, 1965 were repaid leaving a balance of $217 million in the fund at March 31, 1966.

TABLE 57

(in millions of dollars)

Old Age Security Fund	Fiscal year ended March 31				
	1963	1964	1965	1966	1967 (preliminary)
Tax receipts—					
Sales tax	302.2	331.8	383.2	522.1	560.0
Personal income tax	273.7	302.6	431.9	494.9	576.0
Corporation income tax	115.2	115.7	145.2	152.3	150.0
Total tax receipts	691.1	750.1	960.3	1,169.3	1,286.0
Pension payments	−734.4	−808.4	−885.3	−927.3	−1,073.4
Excess of receipts over payments	−43.3	−58.3	75.0	242.0	212.6
Temporary loans brought forward		−41.7	−100.0	−25.0	
Balance in fund brought forward	1.6				217.0
Temporary loans by the Minister of Finance to cover deficit in fund	41.7	100.0	25.0		
Balance in fund				217.0	429.6

A distribution by provinces of pension payments from the old age security fund is shown in the following table:

TABLE 58

(in millions of dollars)

Old Age Security Payments	Fiscal year ended March 31		Increase
	1967 (preliminary)	1966	
Newfoundland	20.3	17.6	2.7
Nova Scotia	48.0	42.0	6.0
Prince Edward Island	8.3	7.4	0.9
New Brunswick	35.2	31.0	4.2
Quebec	238.4	201.0	37.4
Ontario	395.0	337.2	57.8
Manitoba	62.6	55.5	7.1
Saskatchewan	63.4	56.8	6.6
Alberta	71.8	62.8	9.0
British Columbia	129.7	115.3	14.4
Northwest and Yukon Territories	0.7	0.7	
	1,073.4	927.3	146.1

Undisbursed balances of appropriations to special accounts

These special accounts record the undisbursed balances of appropriations for which moneys have been appropriated by parliament and from which disbursements may be made for authorized purposes in periods subsequent to that in which the appropriation was made. The balance of $78 million as at March 31, 1967 was $24 million less than the balance at March 31, 1966.

The balance of $62 million in the international assistance account was $17 million less than the balance at March 31, 1966. Disbursements of $66 million from the account were partly offset by a credit of $49 million, which amount was charged to budgetary expenditure of the Department of External Affairs.

The balance of $10 million in the railway grade crossing fund was $1 million less than the balance at the previous fiscal year-end. The decrease was due to an amount of $15 million credited to the fund and charged to budgetary expenditure and to disbursements of $16 million from the fund.

The balance of $5 million in the centennial of confederation fund was $6 million less than the balance at March 31, 1966. The amount of $13 million was credited to the fund and charged to budgetary expenditure and disbursements of $19 million from the fund were made during the year.

TABLE 59

(in millions of dollars)

Undisbursed Balances of Appropriations to Special Accounts	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
International assistance account	61.6	78.7	−17.1
Railway grade crossing fund	10.3	11.0	−0.7
Centennial of confederation fund	4.7	10.5	−5.8
National capital fund		1.6	−1.6
Area development account	1.3		1.3
Other	0.2	0.1	0.1
	78.1	101.9	−23.8

Deferred credits

Recorded in these accounts are amounts due the government in respect of which payment is deferred. These are contra accounts to corresponding items under the following asset categories: "loans to, and investments in, Crown corporations", "loans to national governments" and "other loans and investments". The balance of $138 million as at March 31, 1967 was the same as at March 31, 1966.

Also included in this category are premiums, received on the issue of Government of Canada bonds, which are being credited to interest on public debt on a monthly amortization basis.

TABLE 60
(in millions of dollars)

Deferred Credits	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Deferred interest—			
Atomic Energy of Canada Limited	0.1	(1)	0.1
Government of India		0.3	−0.3
Northern Canada Power Commission	2.3	2.2	0.1
The St. Lawrence Seaway Authority	47.8	45.2	2.6
United Kingdom Financial Agreement Act, 1946	83.0	83.0	
	133.2	*130.7*	*2.5*
Balances receivable under agreements of sale of Crown assets	0.3	1.3	−1.0
Crown Assets Disposal Corporation—government equity	3.0	5.0	−2.0
Unamortized premium on loans	1.1	1.1	
	137.6	138.1	−0.5

(1) Less than $50,000.

Deferred interest in respect of The St. Lawrence Seaway Authority, which is a contra account to a corresponding item in "loans to, and investments in, Crown corporations" increased by $3 million during the year bringing the balance at March 31, 1967 to $48 million. See the asset account for an explanation of this increase.

Balances receivable under agreements of sale of Crown assets are contra accounts to corresponding items under the asset category "other loans and investments". During the year payments of $1 million left an outstanding balance of $300 thousand at March 31, 1967. There were no new agreements of sale during the year.

The government equity in the agency account of Crown assets disposal corporation is a contra account to a corresponding asset account under "other loans and investments". The balance in the account of $3 million was $2 million less than the total at the end of the previous fiscal year.

Suspense accounts

These consist of balances where some uncertainty as to disposition exists.

There was a net increase of $18 million during 1966–67 to bring the outstanding balances to $49 million as at March 31, 1967.

The surplus Crown assets account, established by vote 48 of the Department of National Defence, Appropriation Act No. 2, 1966, is credited with all revenue received during the current and subsequent fiscal years from the sale of surplus materials, supplies and equipment and from the sale during the current fiscal year of surplus buildings, works and land. The account is debited with expenditures, subject to the approval of Treasury Board, for any of the purposes of the Department of National Defence. Credits of $15 million during the year brought the balance in the account to $24 million. There were no disbursements.

TABLE 61

(in millions of dollars)

Suspense Accounts	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Provision for estimated premium on redemption of bonds...	17.3	15.0	2.3
Surplus Crown assets	24.3	9.1	15.2
Unclaimed cheques	1.2	1.2	
Replacement of materiel, sec. 11, National Defence Act	0.6	0.6	
Other	5.6	5.5	0.1
	49.0	31.4	17.6

Unmatured debt

The unmatured debt of Canada in the amount of $19,940 million was $830 million more than the previous fiscal year-end total. Obligations payable in Canada were $19,574 million and those payable in New York were $366 million compared with $18,739 million and $371 million respectively at March 31, 1966.

TABLE 62

(in millions of dollars)

Unmatured Debt	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Payable in Canada—			
Marketable bonds	10,986.3	10,711.5	274.8
Non-marketable bonds—			
Canada savings bonds	6,016.4	5,733.2	283.2
Canada pension plan	1.9	0.1	1.8
Unemployment Insurance Commission	260.0	144.0	116.0
	17,264.6	*16,588.8*	*675.8*
Treasury bills	2,310.0	2,150.0	160.0
	19,574.6	18,738.8	835.8
Payable in New York[1][2]	365.6	371.0	−5.4
	19,940.2	19,109.8	830.4

[1]Marketable bonds.

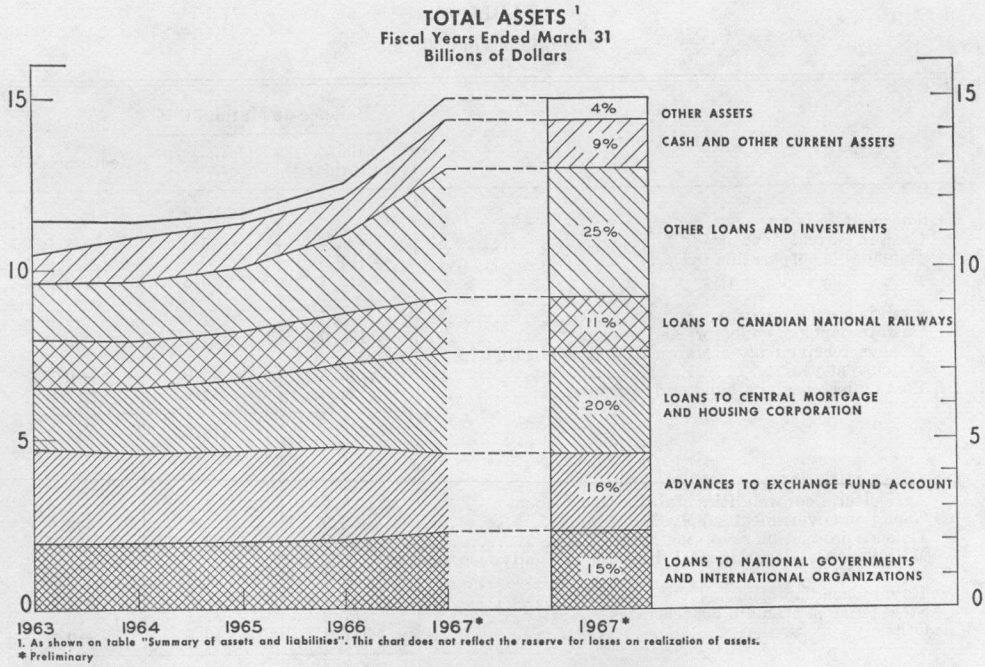
[2]Converted at the official parity rate of $1 U.S. = $1.08108 Canadian.

Details of the various loan issues, maturities and redemptions resulting in the net increase are described more fully in the section "The Public Debt".

Asset Accounts

Current assets

These accounts consist of various cash accounts, working capital advances and the securities investment account.



1. As shown on table "Summary of assets and liabilities". This chart does not reflect the reserve for losses on realization of assets.
* Preliminary

Total current assets at $1,396 million were $380 million more than in the previous fiscal year. The main changes were $188 million in refundable corporation tax and increases of $116 million in the securities investment account, $38 million in departmental working capital advances and $31 million in cash in hands of collectors and in transit.

The agricultural commodities stabilization account records the operations of the Agricultural Stabilization Board. Outstanding advances were $1 million at March 31, 1967, $5 million less than at March 31, 1966.

In the Budget Speech of March 29, 1966 the Minister of Finance announced a refundable tax on cash profits of businesses. It is payable by all corporations not exempt from tax under section 62 of the Income Tax Act and by certain types of trusts on specified types of income. During the year $196 million was collected from this source. A contra account is recorded under the liability category "deposit and trust accounts".

The defence production revolving fund records the cost of materials procurred for use in the manufacture of defence equipment until such time as they are billed to the Department of National Defence or sold to defence contractors for use in the manufacture of defence equipment, as well as working capital loans and advances for their production. During 1966–67 purchases exceeded sales by $15 million bringing the balance in the account to $37 million at March 31, 1967.

The stockpiling of uranium concentrates account records the acquisition of uranium concentrates in accordance with contracts entered into with the approval of the Governor in Council by the Eldorado Mining and Refining Limited on behalf of Her Majesty in right of Canada with certain mining companies. The balance as at March 31, 1967 at $57 million was $20 million higher than the balance at the previous fiscal year-end.

TABLE 63

(in millions of dollars)

Current Assets	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Cash accounts—			
Cash in current deposits[1]	625.4	633.4	−8.0
Refundable corporation tax	[2]187.9		187.9
	813.3	*633.4*	*179.9*
Cash in special deposits	3.5	1.6	1.9
Cash in hands of collectors and in transit	155.0	124.1	30.9
Moneys received after March 31 but applicable to the current year	42.5	42.9	−0.4
Post Office—cash on hand and in transit	24.5	11.9	12.6
	1,038.8	813.9	224.9
Departmental working capital advances—			
Agricultural commodities stabilization account	0.9	5.4	−4.5
Canadian government supply	3.0		3.0
Defence production revolving fund	37.2	22.6	14.6
Miscellaneous departmental imprest and advance accounts	23.4	21.1	2.3
Royal Canadian Mint	17.9	14.8	3.1
Stockpiling of uranium concentrates	57.2	37.1	20.1
Other	19.4	19.6	−0.2
	159.0	120.6	38.4
Securities investment account	197.7	81.5	116.2
	1,395.5	1,016.0	379.5

[1] Receiver General year-end balances in London, New York, Paris and Bonn are at the Canadian dollar equivalent of exchange rates at March 31.

[2] In addition, $8.3 million is included in "cash in hands of collectors and in transit".

Advances to the exchange fund account

Advances during the year to finance the purchase of gold and foreign exchange amounted to $1,098 million and repayments to $1,439 million, a decrease of $341 million bringing the outstanding advances to $2,355 million at March 31, 1967.

During 1965–66 advances of $1,121 million and repayments of $1,046 million resulted in a balance of $2,696 million at March 31, 1966.

Investments in United States dollar securities issued by other than the Government of Canada

This account records the special securities issued by the Government of the United States of America and purchased by Canada pursuant to agreements made to carry out the Columbia River Treaty between the Government of the United States and the Government of Canada. During 1966–67 securities in the amount of $32 million were redeemed leaving a balance of $155 million as at March 31, 1967. Also included is an investment of $25 million in bonds of the international bank for reconstruction and development made in 1966-67.

Investments held for retirement of unmatured debt

Recorded herein is $3 million of the 5½ per cent loan issued August 1, 1962 and maturing August 1, 1980.

Canada pension plan investment fund

The Canada pension plan investment fund records securities purchased under the Canada Pension Plan Act and the sale of these securities. The amount by which the operating balance of the Canada pension plan account in any month exceeds the estimated amount required to meet all payments in the following three-month period is available for the purchase of securities of participating provinces. Securities of Canada shall be purchased with the excess remaining after purchasing securities of each province as required. The holdings in the account at March 31, 1967 totalled $615 million of which $2 million was in federal government securities.

Loans to, and investments in, Crown corporations

Loans and investments in this category totalled $6,728 million, an increase of $1,069 million over the total at March 31, 1966.

TABLE 64

(in millions of dollars)

Loans to, and Investments in, Crown Corporations	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Atomic Energy of Canada Limited	106.0	77.6	28.4
Bank of Canada	5.9	5.9	
Canadian Arsenals Limited	5.0	5.0	
Canadian Broadcasting Corporation	9.0	3.0	6.0
Canadian Commercial Corporation	10.0	5.5	4.5
Canadian National Railways	1,610.6	1,489.7	120.9
Air Canada	7.3	4.3	3.0
	1,617.9	*1,494.0*	*123.9*
Canadian Overseas Telecommunication Corporation	49.8	52.5	−2.7
Central Mortgage and Housing Corporation	2,941.5	2,452.9	488.6
Eldorado Mining and Refining Limited	8.2	8.2	
Export Credits Insurance Corporation	164.4	128.2	36.2
Farm Credit Corporation	752.5	588.4	164.1
National Capital Commission	37.2	32.1	5.1
National Harbours Board	222.3	202.8	19.5
Northern Canada Power Commission	29.8	29.9	−0.1
Polymer Corporation Limited	30.0	30.0	
The St. Lawrence Seaway Authority—			
Loans	326.7	326.7	
Deferred interest	47.8	45.2	2.6
Interest-free loans	90.5	64.0	26.5
	465.0	*435.9*	*29.1*
Recovery likely to require parliamentary appropriations—			
Canadian Broadcasting Corporation	55.7	26.7	29.0
Canadian Corporation for the 1967 World Exhibition	175.0	44.0	131.0
National Capital Commission—greenbelt	37.2	35.2	2.0
	267.9	*105.9*	*162.0*
Other Crown Corporations	5.4	1.3	4.1
	6,727.8	5,659.1	1,068.7

Atomic Energy of Canada Limited

At March 31, 1967 there was a balance in this account of $106 million consisting of an investment of $15 million by the government in capital stock, and loans of $91 million of which $67 million was in respect of the Douglas Point generating station. Comparable amounts at March 31, 1966 were $78 million consisting of $15 million in capital stock and loans of $63 million of which $48 million was for the Douglas Point generating station.

Canadian Broadcasting Corporation

Advances for working capital during 1966–67 amounted to $6 million bringing the total to $9 million as at March 31, 1967. During the year net advances to the corporation for the purpose of capital expenditures amounted to $29 million, bringing the total of advances to $56 million at the fiscal year-end. Recovery of these advances is likely to require parliamentary appropriations in subsequent fiscal years.

Canadian Corporation for the 1967 World Exhibition

This account records the acquisition of securities issued by the corporation in accordance with the Canadian Corporation for the 1967 World Exhibition Act. The balance in the account at March 31, 1967 was $175 million compared with $44 million at March 31, 1966. Recovery of these advances is likely to require parliamentary appropriations in subsequent fiscal years.

Canadian National Railways (including Air Canada)

Outstanding advances to the Canadian National Railways at March 31, 1967 of $1,618 million were $124 million more than the balance of $1,494 million at the previous fiscal year-end.

TABLE 65

(in millions of dollars)

Advances to the Canadian National Railways	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Capital Revision Act, 1952—			
Preferred stock	1,075.2	1,044.3	30.9
Twenty-year obligation	100.0	100.0	
Financing and Guarantee Act, 1960	27.0	27.0	
Financing and Guarantee Act, 1961	28.4	28.4	
Financing and Guarantee Act, 1965	40.0		40.0
Refunding Act, 1955	323.0	273.0	50.0
Canadian Government Railways	17.0	17.0	
Air Canada	7.3	4.3	3.0
	1,617.9	1,494.0	123.9

During 1966–67 the government made available $144 million to the company and received repayments of $20 million, resulting in a net increase of $124 million in outstanding advances. In 1965–66 advances were $99 million and repayments were $39 million.

TABLE 66

(in millions of dollars)

Advances to, and Repayments by, the Canadian National Railways	Fiscal year ended March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Advances—			
For the refunding of debt	50.0	35.0	15.0
For the Financing and Guarantee Act, 1965	40.0		40.0
For the financing of income deficits—			
Canadian National Railways	16.0	33.4	−17.4
Air Canada	7.3	6.0	1.3
Total advances	113.3	74.4	38.9
Purchase of 4 per cent preferred stock (C. N. R. Capital Revision Act, 1952)	30.9	24.1	6.8
	144.2	98.5	45.7
Repayments—			
Advances for interim financing of income deficits—			
Canadian National Railways	−16.0	−33.4	17.4
Air Canada	−4.3	−5.3	1.0
	−20.3	*−38.7*	*18.4*
Net increase or decrease (−) during fiscal year	123.9	59.8	64.1

In 1966–67 the government advanced to the company $90 million for capital purposes and the refunding of debt in the hands of the public.

To assist the company to finance further capital expenditure during the year, the government purchased $31 million of the 4 per cent preferred stock of the company. This stock is issued under the authority of the Canadian National Railways Capital Revision Act, 1952, in an amount equal to 3 per cent of the gross revenue of the company.

The government also provided the company with temporary loans of $16 million in respect of its 1966 deficit which were repaid when the company's income deficit of $25 million was charged to the 1966–67 budgetary expenditures.

At March 31, 1966 temporary loans of $4 million were outstanding to Air Canada in respect of its 1966 operations. These have been repaid by the company during 1966–67. However, additional loans of $7 million have been made during 1966–67 in respect of the company's 1967 operations.

Central Mortgage and Housing Corporation

The balance of $2,942 million in this account at March 31, 1967 was $489 million higher than at March 31, 1966, and comprised the Crown's investment of $25 million in the capital of the corporation and $2,917 million in loans and advances.

Loans and advances to the corporation were $607 million in 1966-67 and repayments were $118 million. In 1965-66 advances were $514 million and repayments were $199 million.

TABLE 67

(in millions of dollars)

Advances to, and Repayments by Central Mortgage and Housing Corporation	Fiscal year ended March 31		Increase or (decrease −)
	1967 (preliminary)	1966	
Advances—			
Direct lending and limited dividend housing	497.7	403.8	93.9
Federal-provincial projects—housing	21.5	4.5	17.0
Loan and mortgage purchase fund	16.5	30.0	−13.5
Municipal sewage treatment	35.0	40.4	−5.4
University housing	36.0	35.0	1.0
	606.7	513.7	93.0
Repayments—			
Direct lending and limited dividend housing	−86.5	−156.3	69.8
Federal-provincial projects—housing	−4.0	−3.3	−0.7
Loan and mortgage purchase fund	−14.5	−12.1	−2.4
Municipal sewage treatment	−9.6	−23.3	13.7
University housing	−0.5	−0.3	−0.2
Acquisition or construction of real estate	−3.0	−3.3	0.3
	−118.1	−198.6	80.5
Net increase during the year	488.6	315.1	173.5

Advances comprised $498 million for direct lending and limited dividend housing, $21 million for federal-provincial projects for housing, $17 million for the loan and mortgage purchase fund, $35 million in respect of municipal sewage treatment and $36 million for university housing.

Repayments of $118 million included $87 million for direct lending and limited dividend housing, $4 million for housing, $14 million for the loan and mortgage purchase fund, $10 million for municipal sewage treatment and $3 million in respect of acquisition or construction of real estate.

Export Credits Insurance Corporation

The outstanding balance of $164 million in this account at March 31, 1967 consisted of $5 million for capital stock, $5 million for working capital and $154 million for loans under section 21A of the Export Credits Insurance Act. This section of the act authorizes the making of loans, on security of a guaranteed

instrument, to the corporation by the Minister of Finance. Comparable amounts in 1965-66 were $5 million for capital stock, $5 million for working capital and $118 million for loans.

Farm Credit Corporation

The government provides loans to the corporation which makes loans on farm property. The balance of $753 million in the account at March 31, 1967 consisted of the Crown's investment of $30 million in the capital of the corporation and $723 million in loans and advances. At March 31, 1966 the balance was $588 million consisting of capital investment of $23 million and loans and advances of $565 million.

The 1966-67 transactions in the account consisted of additional subscriptions by the government of $7 million to the capital of the corporation, loans and advances of $183 million and repayments by the corporation of $26 million. In 1965-66 additional subscriptions were $6 million, loans and advances were $162 million and repayments were $21 million.

National Capital Commission

Loans to acquire property in the "Greenbelt" area increased by $2 million during the year bringing the balance to $37 million. Recovery of these loans is likely to require parliamentary appropriations in subsequent fiscal years.

Loans to acquire property excluding the "Greenbelt" area increased by $5 million to $37 million at March 31, 1967.

The St. Lawrence Seaway Authority

Outstanding obligations in this account at March 31, 1967 amounted to $465 million and comprised $327 million in interest-bearing loans, $90 million in interest-free loans and $48 million in deferred interest. At March 31, 1966 outstanding obligations were $436 million consisting of $327 million in interest-bearing loans, $64 million in interest-free loans and $45 million in deferred interest.

Other Crown Corporations

Advances to the Canadian Commercial Corporation increased by $5 million during 1966–67 and advances to the National Harbours Board increased by $20 million.

Loans to national governments

There was a net decrease of $24 million in this category bringing total balances to $1,202 million at March 31, 1967.

The United Kingdom repaid $19 million of the $1,185 million loan made under the $1,250 million credit authorized by the United Kingdom Financial Agreement Act, 1946, reducing the principal to $976 million at March 31 1967.

Advances under Part II of the Export Credits Insurance Act to Belgium, France and The Netherlands to assist them in the purchasing of goods in Canada were reduced by a repayment of $2 million, bringing the balance at March 31, 1967 to $122 million. The decrease of $2 million is the regular annual payment by the Government of Belgium.

Special loans by Canada to Colombo plan countries to finance the purchase of wheat and flour from Canada decreased by $10 million from the previous fiscal year-end balance due to the forgiveness by Canada of the payment by India of the total principal and interest accruing thereon under agreements related to the purchase of Canadian wheat and flour in the amount of $10 million.

Loans to India for the purchase in Canada of aircraft and associated parts at $4 million were $2 million less than at March 31, 1966.

Special loan assistance—developing countries account is an account which records loans, not to exceed $50 million, which are subject to terms and conditions as the Governor in Council may approve, for the purpose of undertaking agreed-upon economic, educational and technical projects. The balance in the account at March 31, 1967 was $15 million, an increase of $10 million.

TABLE 68

(in millions of dollars)

Loans to National Governments	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Loans to United Kingdom—			
The United Kingdom Financial Agreement Act, 1946	976.2	995.1	−18.9
Deferred interest	83.0	83.0	
	1,059.2	*1,078.1*	*−18.9*
Loans under the Export Credits Insurance Act, Part II—			
Belgium	23.0	25.4	−2.4
France	67.0	67.0	
The Netherlands	32.1	32.1	
	122.1	*124.5*	*−2.4*
Special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada—			
Ceylon	0.3	0.5	−0.2
India		9.7	−9.7
	0.3	*10.2*	*−9.9*
Miscellaneous loans and advances—			
India—loan for purchase of aircraft and associated spare parts	3.7	6.4	−2.7
France—interim credits—consolidated interest	0.7	0.7	
Special loan assistance—developing countries	15.1	5.2	9.9
Other	0.5	0.1	0.4
	20.0	*12.4*	*7.6*
	1,201.6	1,225.2	−23.6

Other loans and investments

Balances in these accounts totalled $1,718 million at March 31, 1967, $454 million more than at the end of the previous fiscal year.

TABLE 69
(in millions of dollars)

Other Loans and Investments	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Subscriptions to capital of, and working capital advances and loans to, international organizations—			
Canada's subscriptions to capital of—			
Asian development bank	2.7		2.7
International bank for reconstruction and development	85.0	80.5	4.5
International development association	70.7	55.7	15.0
International finance corporation	3.5	3.5	
International monetary fund	782.7	577.3	205.4
Working capital advances and loans to international organizations	7.6	7.7	−0.1
	952.2	724.7	227.5
Loans to provincial governments—			
Alberta	5.4	5.9	−0.5
British Columbia	10.3	11.2	−0.9
Manitoba	9.2	10.0	−0.8
New Brunswick	31.7	29.1	2.6
Newfoundland	17.7	3.5	14.2
Nova Scotia	22.5	7.0	15.5
Saskatchewan	26.3	30.0	−3.7
	123.1	96.7	26.4
Veterans land act fund	332.8	278.8	54.0
Less reserve for conditional benefits	−22.4	−22.6	0.2
	310.4	256.2	54.2
Municipal development and loan board advances	236.3	115.5	120.8
Less reserve for forgiveness of indebtedness	−5.1	−6.6	1.5
	231.2	108.9	122.3
Miscellaneous—			
Advances to employees re retirement fund and the Canada/Quebec pension plan	8.9	4.1	4.8
Assisted passage scheme	11.0	6.4	4.6
Balances receivable under agreements of sale of Crown assets	1.4	2.4	−1.0
City of Montreal—			
Atwater tunnel	1.7	1.8	−0.1
St. Remi tunnel	1.0	1.0	
City of Whitehorse	1.9	1.9	
Construction of dock and rail facilities for Steep Rock Iron Mines Limited	0.7	0.9	−0.2
Crown Assets Disposal Corporation—			
Government equity in agency account	2.4	5.0	−2.6
Dominion Coal Company Limited	4.5	4.5	
Fraser River Harbour Commission	1.2	1.3	−0.1
Hamilton Harbour Commission	1.6	1.7	−0.1
Housing project for Canadian forces	20.5	20.6	−0.1
Loans to manufacturers of automotive products in Canada	12.7	0.1	12.6
Municipal Improvements Assistance Act, 1938	0.7	0.8	−0.1
Northwest Territories	8.3	6.4	1.9
Ottawa Civil Service recreational association re W. Clifford Clark Memorial Recreational Centre	1.0	1.1	−0.1
Toronto Harbour Commission	1.5		1.5
Town of Oromocto Development Corporation	1.1	1.1	
Yukon Territory	8.5	6.6	1.9
Other	5.8	4.8	1.0
Recovery likely to require parliamentary appropriations—			
Town of Oromocto, N.B.	4.2	4.2	
	100.6	76.7	23.9
	1,717.5	1,263.2	454.3

Canada's subscriptions to the capital of international organizations were $228 million higher due mainly to additional subscriptions of $15 million to the international development association and $205 million to the international monetary fund. Working capital advances and loans to international organizations at $8 million were approximately the same as at the previous fiscal year-end.

Loans to provincial governments totalled $123 million at March 31, 1967, an increase of $26 million over the total at the previous fiscal year-end due mainly to increases of $16 million in loans to Nova Scotia and $14 million in loans to Newfoundland.

The veterans land act fund was established by An Act to amend the Veterans' Land Act, assented to June 30, 1965, to record advances made under the Veterans' Land Act, not to exceed the amount of $380 million, for the acquisition, by the Director, of properties, buildings, materials, livestock, farm equipment and commercial fishing equipment for purposes of the act, for sale to qualified veterans of world war 2 and Korea under sales agreements which carry specified conditional benefits if the terms of such agreements are adhered to by the veterans, and for progress payments to veterans during construction of housing. The veterans land act advances and reserve for conditional benefits and the veterans land act housing account are combined in this account. Advances during the year of $83 million and repayments of $29 million brought outstanding advances at March 31, 1967 to $333 million. This was partly offset by a reserve for conditional benefits amounting to $23 million, resulting in a balance in this account of $310 million at the fiscal year-end.

Under the Municipal Development and Loan Act advances are made to the Municipal Development and Loan Board to provide financial assistance by way of loans to municipalities to augment or accelerate municipal capital works programs. Where the municipal project in respect of which a loan is made is completed on or before September 30, 1966, the board shall forgive payment by the municipality of 25 per cent of the principal amount of the loan. If a project is not completed as at September 30, 1966, the board shall forgive 25 per cent of that portion of the loan that has been advanced to the municipality as of September 30, 1966.

At March 31, 1967, advances totalled $236 million, an increase of $121 million over the total at March 31, 1966. These advances were partly offset by a reserve for forgiveness of indebtedness consisting of amounts charged to budgetary expenditure to cover 25 per cent of the amounts of the advances. At March 31, 1967, there was a reserve of $5 million compared with $7 million at March 31, 1966.

Miscellaneous loans and investments totalled $101 million at March 31, 1967, an increase of $24 million over the balance at March 31, 1966, due mainly to loans of $13 million to manufacturers of automotive products in Canada.

Loans to manufacturers of automotive products in Canada were set up under authority of vote L27c, Appropriation Act No. 5, 1965, to record loans in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the Governor in Council, to assist manufacturers of automotive products in Canada affected by the Canada-United States Agreement on Automotive Products to adjust and expand their production; such loans to be made

for the purpose of acquisition, construction, installation, modernization, development, conversion or expansion of land, buildings, equipment, facilities or machinery and for working capital. Loans to these manufacturers amounted to $13 million in 1966–67 compared with $125 thousand in 1965–66.

Securities held in trust

Recorded herein are the security holdings in connection with various deposit and trust accounts and annuity, insurance and pension accounts. Bonds and certified cheques held in connection with contractors' securities included in the deposit and trust category are also recorded under this heading. The balance at March 31, 1967, was $51 million, a decrease of $1 million from the previous fiscal year.

Deferred charges

The balance of $582 million in this account was $326 million more than at March 31, 1966, reflecting increases of $311 million in the unamortized portions of actuarial deficiencies in the superannuation accounts and $15 million in unamortized loan flotation costs.

TABLE 70

(in millions of dollars)

Deferred Charges	Balance at March 31		Increase or decrease (−)
	1967 (preliminary)	1966	
Unamortized portions of actuarial deficiencies—			
Canadian forces superannuation account	260.2	53.6	206.6
Public service superannuation account	189.4	93.6	95.8
Royal Canadian Mounted Police superannuation account	11.0	3.1	7.9
	460.6	150.3	310.3
Unamortized loan flotation costs	121.6	106.2	15.4
	582.2	256.5	325.7

Unamortized portions of actuarial deficiencies

At March 31, 1967 these totalled $461 million compared with $150 million at March 31, 1966, an increase of $311 million.

Any actuarial deficiencies revealed by quinquennial valuations are credited to the superannuation accounts and charged to this account and amortized to budgetary expenditure in five equal annual instalments commencing in the fiscal year in which the report is laid before parliament. Also, the cost of benefits payable under the superannuation acts as a result of the authorization of salary increases are credited to the superannuation accounts and charged to this account, and amortized to budgetary expenditure over a period of five years commencing in the year in which the increase is authorized.

The unamortized portion of the actuarial deficiency in the Canadian forces superannuation account was $260 million compared with $54 million at March 31, 1966. During the year $279 million was charged thereto as a result of the quinquennial actuarial valuation, made as at December 31, 1965, of the Canadian forces superannuation account and $73 million was amortized as a charge to budgetary expenditure.

The unamortized portion of the public service superannuation account was $190 million compared with $94 million at March 31, 1966. During the year $152 million was charged thereto as a result of salary increases and $56 million was amortized as a charge to budgetary expenditure.

The unamortized portion of the actuarial deficiency in the Royal Canadian Mounted Police superannuation account was $11 million compared with $3 million at March 31, 1966. During the year $11 million was charged thereto as a result of salary increases and $3 million was amortized as a charge to budgetary expenditure.

Unamortized loan flotation costs

This account records the residual balances of discounts, commissions, redemption bonuses and conversion premiums on loan flotations that have not been charged to budgetary expenditures. The balance of $122 million was $15 million more than the previous fiscal year-end balance.

TABLE 71

(in millions of dollars)

Unamortized Loan Flotation Costs	Fiscal year ended March 31	
	1967 (preliminary)	1966
Balance of account at beginning of fiscal year	106.2	110.8
New loan flotation costs to be amortized—		
4½% loan May 1, 1966—April 1, 1967	1.8	
5% loan May 1, 1966—July 1, 1970	0.9	
5½% loan May 1, 1966—August 1, 1980	3.6	
4¼% loan September 1, 1966—October 1, 1967	2.6	
5¼% loan September 1, 1966—October 1, 1969	1.3	
5¾% loan September 1, 1966—September 1, 1992	2.2	
5¾% loan December 15, 1966—September 1, 1992	2.9	
5½% loan December 15, 1966—January 15, 1968	0.6	
5¾% loan December 15, 1966—December 15, 1970	1.9	
5½% loan February 1, 1967—October 1, 1975	1.2	
5½% loan February 1, 1967—August 1, 1980	0.7	
5¾% loan February 1, 1967—September 1, 1982	0.2	
Adjustments[1]		5.9
Treasury bills discount	20.9	16.5
Canada savings bonds—adjustment previous issues	0.5	0.8
Canada savings bonds—new issue	20.6	7.4
4¼% loan July 1, 1965—June 1, 1967		0.3
5% loan July 1, 1965—July 1, 1970		1.4
3¾% loan September 1, 1965—September 1, 1966		2.2
5½% loan September 1, 1965—October 1, 1969		0.1
4% loan December 1, 1965—December 15, 1966		1.8
5½% loan December 1, 1965—April 1, 1969		0.1
5½% loan December 1, 1965—October 1, 1975		0.2
4% loan February 1, 1966—April 1, 1967		2.3
5½% loan February 1, 1966—August 1, 1980		0.4
	61.9	*39.4*
Less—		
Amortization applicable to fiscal year—		
Canada savings bonds and general loans	−30.0	−30.8
Discount on treasury bills charged to interest on public debt	−16.5	−13.2
	−46.5	*−44.0*
Increase or decrease (−) during the year	15.4	−4.6
Balance of account at end of fiscal year	121.6	106.2

[1] Adjustments due to additional issues of existing loans.

Cost of new loans issued during 1966-67 and charged to the account amounted to $62 million, of which $21 million is in respect of treasury bills discounts which will be charged to interest on public debt in 1967-68. Credits to the account are $46 million, of which $30 million is a charge to the budgetary item "annual amortization costs" and $16 million (representing discount applicable to 1966-67 on treasury bills sold in 1965-66) is a charge to the budgetary item "interest on public debt".

Treasury bills discounts applicable to the current fiscal year are charged to interest on public debt at time of sale. That portion of the discounts applicable to the subsequent fiscal year is charged to this account and transferred to interest on public debt in the following year.

Capital assets

Assets of the government such as land, buildings, works and equipment, etc., that are charged to budgetary expenditure at the time of acquisition or construction, are included in this category and are shown on the statement of assets and liabilities at a nominal value of $1.

Inactive loans and investments

Loans and investments which are not currently revenue-producing or realizable are recorded herein. Included are the loan of $49 million to China under the Export Credits Insurance Act, loans of $24 million and $7 million made to Roumania and Greece in 1919-20 and 1920-21 respectively and advances of $15 million in respect of the implementation of guarantees (Ming Sung Industrial Company Limited).

Reserve for losses on realization of assets

The balance of this account at March 31, 1967 was $546 million, unchanged from the end of the previous fiscal year.

Net Debt

The net debt of Canada, or the excess of liabilities over net recorded assets, was $15,971 million at March 31, 1967, $428 million higher than at March 31, 1966 reflecting the 1966-67 budgetary deficit of $428 million.

THE CASH POSITION

The government's bank balances represent current deposits to the credit of the Receiver General of Canada in the Bank of Canada, chartered banks in Canada and certain banks in London, New York, Paris and Bonn. These balances totalled $625 million at March 31, 1967, a decrease of $8 million from the balance of $633 million at March 31, 1966.

The cash position of the government is affected not only by budgetary transactions but also by changes in the government's unmatured debt and other non-budgetary transactions. Non-budgetary transactions are those which affect the government's assets and liability accounts and must be taken into account when considering the full scope of the government's financial operations and their effect on the economy of the country.

On the asset side, the non-budgetary transactions consist, for the most part, of loans and advances to, and repayments by, Crown corporations and other government agencies and funds (including the old age security fund), national, provincial and municipal governments, international organizations, veterans and other borrowers. On the liability side they relate mainly to receipts and payments in connection with the many deposit and trust accounts, and annuity, insurance and pension funds held or administered by the government.

The following statement summarizes both the budgetary and non-budgetary transactions for 1966-67 and indicates how they affected the government's cash position. For purposes of comparison the corresponding figures for 1965-66 are also shown.

TABLE 72

(in millions of dollars)

Changes in Cash Position	Fiscal year ended March 31			
	1967 (preliminary)		1966	
Budgetary transactions—				
Revenue	8,366.0		7,695.8	
Expenditure	−8,794.0		−7,734.8	
Deficit		**−428.0**		**−39.0**
Non-budgetary transactions (excluding unmatured debt transactions)—				
Receipts and credits (net)	2,466.9		710.1	
Disbursements and charges (net)	−2,757.9		−831.0	
Net amount required for non-budgetary transactions		**−291.0**		**−120.9**
Overall cash requirement to be financed by increase in unmatured debt or decrease in cash balances		**−719.0**		**−159.9**
Net increase in unmatured debt outstanding in the hands of the public—				
Unmatured debt—				
Canada savings bonds	283.2		180.8	
Marketable issues	269.4		−160.3	
Treasury bills	160.0		10.0	
Special issues—				
Unemployment Insurance Commission	116.0		101.0	
Canada pension plan	1.8		0.1	
	830.4		*131.6*	
Securities investment account	−116.2		−19.0	
Investments held for retirement of unmatured debt	−3.2			
		711.0		**112.6**
Net increase or decrease (−) in Receiver General bank balances		**−8.0**		**−47.3**

In 1966-67 a deficit of $428 million in budgetary transactions and net disbursements of $291 million for non-budgetary transactions (excluding unmatured debt transactions) resulted in a net cash requirement of $719 million for the fiscal year. As transactions in unmatured debt during the year resulted in an increase of $711 million in outstanding unmatured debt as at March 31, 1967,

Receiver General bank balances were reduced by $8 million. In 1965-66 the budgetary deficit of $39 million and net disbursements of $121 million from non-budgetary transactions resulted in a cash requirement of $160 million. As outstanding unmatured debt increased by $113 million, Receiver General bank balances were reduced by $47 million.

Non-budgetary receipts and credits (excluding unmatured debt transactions)

Non-budgetary receipts and credits of $2,467 million in 1966-67 included $1,529 million in respect of annuity, insurance and pension accounts, $404 million in repayments of loans, investments and advances and $534 million in sundry other accounts.

Further details are given in the following table:

TABLE 73

(in millions of dollars)

Non-Budgetary Receipts and Credits (Net)	Fiscal year ended March 31	
	1967 (preliminary)	1966
Repayments of loans, investments and advances—		
Agricultural commodities stabilization account	4.5	17.8
Exchange fund account	341.0	−75.0
Canadian Overseas Telecommunication Corporation	2.7	2.6
Special United States of America securities (Columbia River Treaty)	32.2	32.2
National governments	23.6	−18.6
	404.0	*−41.0*
Annuity, insurance and pension accounts—		
Public service superannuation account	307.6	228.6
Canadian forces superannuation account	392.8	156.1
Royal Canadian Mounted Police superannuation account	19.6	7.7
Canada pension plan account	591.2	89.4
Old age security fund	212.6	217.0
Other	5.3	17.5
	1,529.1	*716.3*
Other receipts and credits—		
Outstanding treasury cheques	49.9	17.8
Accounts payable	76.7	16.4
Non-interest-bearing notes payable on demand	111.0	−112.5
Matured debt	3.4	8.2
Interest due and outstanding	2.1	8.9
Interest accrued	32.9	23.1
Post office outstanding money orders	9.2	0.9
Deposit and trust	9.4	30.4
Provincial tax-collection agreements account	25.5	17.5
Surplus Crown assets (Department of National Defence)	15.2	9.1
Provision for estimated premium on redemption of bonds	2.3	15.0
Refundable corporation tax	196.2	
	533.8	*34.8*
	2,466.9	710.1

Non-budgetary disbursements and charges (excluding unmatured debt transactions)

Non-budgetary disbursements and charges of $2,758 million in 1966-67 included $1,594 million for loans, investments and advances and $1,164 million in other charges.

Further details are given in the following table:

TABLE 74

(in millions of dollars)

Non-Budgetary Disbursements and Charges (Net)	Fiscal year ended March 31	
	1967 (preliminary)	1966
Loans, investments and advances—		
Defence production revolving fund	14.6	−7.6
Royal Canadian Mint working capital advance	3.1	−3.9
Stockpiling of uranium concentrates	20.1	12.7
Atomic Energy of Canada Limited	28.4	11.9
Canadian Broadcasting Corporation	35.0	12.5
Canadian Commercial Corporation	4.5	2.0
Canadian Corporation for the 1967 World Exhibition	131.0	44.0
Canadian National Railways (including Air Canada)	123.9	59.8
Central Mortgage and Housing Corporation	488.6	315.1
Export Credits Insurance Corporation	36.2	36.4
Farm Credit Corporation	164.1	147.0
National Capital Commission	7.1	7.4
National Harbours Board	19.5	3.0
The St. Lawrence Seaway Authority	29.1	26.7
Subscriptions to capital of international organizations	227.5	
Provincial governments	26.4	−1.7
Veterans land act fund	54.2	24.1
Municipal Development and Loan Board advances	122.3	101.3
Loans to manufacturers of automotive products in Canada	12.6	0.1
International bank for reconstruction and development (bonds)	25.0	
Other	20.4	2.6
	1,593.6	*793.4*
Other disbursements and charges—		
Refundable corporation tax	[1]187.9	
Cash in hands of collectors and in transit	30.9	−43.9
Canada pension plan investment fund	580.6	34.9
Deferred charges	325.7	47.9
Deferred credits	0.5	−24.9
International assistance account	17.1	3.6
Other	21.6	20.0
	1,164.3	*37.6*
	2,757.9	831.0

[1] In addition, $8.3 million is included in "cash in hands of collectors and in transit".

THE PUBLIC DEBT

Gross and net debt

The gross debt of Canada, or the total of liabilities as recorded on the statement of assets and liabilities, was $30,350 million at March 31, 1967, an increase of $2,867 million over the total at March 31, 1966. The main changes were increases of $1,529 million in annuity, insurance and pension accounts, $830 million in unmatured debt, $283 million in current and demand liabilities and $231 million in deposit and trust accounts. Unmatured debt at $19,940 million represented 66 per cent of the total and annuity, insurance and pension accounts

at $7,921 million represented 26 per cent. At March 31, 1966 unmatured debt was $19,110 million or 70 per cent and annuity, insurance and pension accounts totalled $6,392 million or 23 per cent.

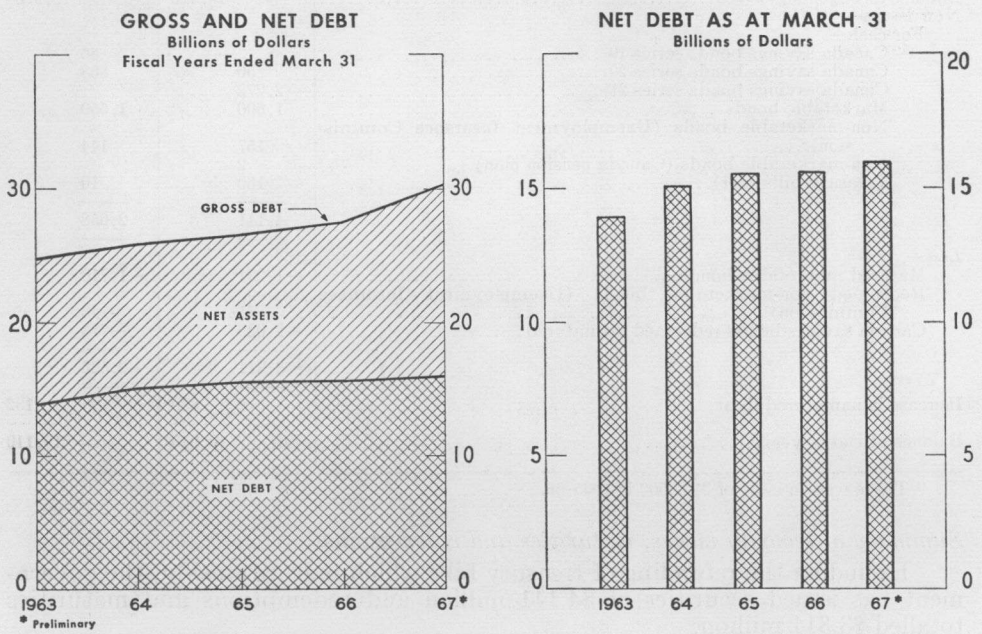
The government's net recorded assets were $14,379 million at March 31, 1967 an increase of $2,439 million over the total at March 31, 1966. The main changes were increases of $1,069 million in loans to, and investments in, Crown corporations, $581 million in the Canada pension plan investment fund, $454 million in other loans and investments, $380 million in current assets and $326 million in deferred charges partly offset by a decrease of $341 million in advances to the exchange fund account. Loans to, and investments in, Crown corporations

TABLE 75

STATEMENT OF PUBLIC DEBT, UNMATURED DEBT, NET RECORDED ASSETS AND NET DEBT OF CANADA

(in millions of dollars)

As at March 31	Gross Public Debt			Less net recorded assets	Net debt	Increase in net debt during fiscal year
	Unmatured debt	Other liabilities	Total			
1963	17,961.8	6,837.4	24,799.2	10,879.5	13,919.7	691.6
1964	18,740.1	7,183.3	25,923.4	10,853.3	15,070.1	1,150.4
1965	18,978.2	7,585.7	26,563.9	11,059.5	15,504.4	434.3
1966	19,109.8	8,373.1	27,482.9	11,939.5	15,543.4	39.0
1967 (preliminary)	19,940.2	10,409.8	30,350.0	14,378.6	15,971.4	428.0



27053—68

represented 47 per cent of the total and advances to the exchange fund represented 16 per cent. At March 31, 1966 loans to, and investments in, Crown corporations were $5,659 million or 47 per cent and advances to the exchange fund were $2,696 million or 23 per cent.

The net debt of Canada was $15,971 million at March 31, 1967 reflecting an increase of $428 million, equivalent to the 1966-67 budgetary deficit.

Unmatured debt

Total unmatured debt of $19,940 million was $830 million more than the balance at March 31, 1966.

The government's holdings of its own securities as at March 31, 1967 was comprised of $198 million in the securities investment account (of which $37 million was in respect of the employees instalment purchase plan) and $3 million in investments held for retirement of unmatured debt. This was an increase of $120 million over the previous fiscal year-end total when holdings were $82 million in the securities investment account (of which $32 million was in respect of the employees instalment purchase plan).

Of the total unmatured debt, $19,574 million is payable in Canada and $366 million in New York. Securities payable in New York have been valued at the official parity rate of $1 U.S. = $1.08108 Canadian.

TABLE 76

(in millions of dollars)

Unmatured Debt Transactions	Fiscal year ended March 31			
	1967 (preliminary)		1966	
Balance at beginning of year		19,110		18,978
New issues—				
For cash—				
Canada savings bonds series 19			86	
Canada savings bonds series 20	50		868	
Canada savings bonds series 21	2,272			
Marketable bonds	1,500		1,550	
Non-marketable bonds (Unemployment Insurance Commission)	157		144	
Non-marketable bonds (Canada pension plan)	2		(1)	
Treasury bills (net)	160		10	
	4,141		2,658	
Less—				
Matured marketable bonds	−1,231		−1,710	
Redeemed non-marketable bonds (Unemployment Insurance Commission)	−41		−43	
Canada savings bonds redeemed or matured	−2,039		−773	
	−3,311		−2,526	
Increase in unmatured debt		830		132
Balance at end of year		19,940		19,110

(1) There was an issue of $102,000 in 1965–66.

Summary of security issues, maturities and redemptions

Excluding the refunding of treasury bills which mature weekly, the government has issued securities of $4,141 million and redemptions and maturities totalled $3,311 million.

Net sales of Canada savings bonds series 21 were $2,272 million and additional sales of series 20 were $50 million. Redemptions and maturities of series 9 to 20 totalled $2,039 million. The net increase for all series was $283 million bringing the total of outstanding Canada savings bonds to $6,016 million.

Treasury bills in the amount of $2,310 million consisted of $1,430 million in three-month bills, $780 million in six-month bills and $100 million in ten-month bills.

TABLE 77

DEBT MATURED OR REDEEMED DURING THE FISCAL YEAR ENDED MARCH 31, 1967

(in millions of dollars)

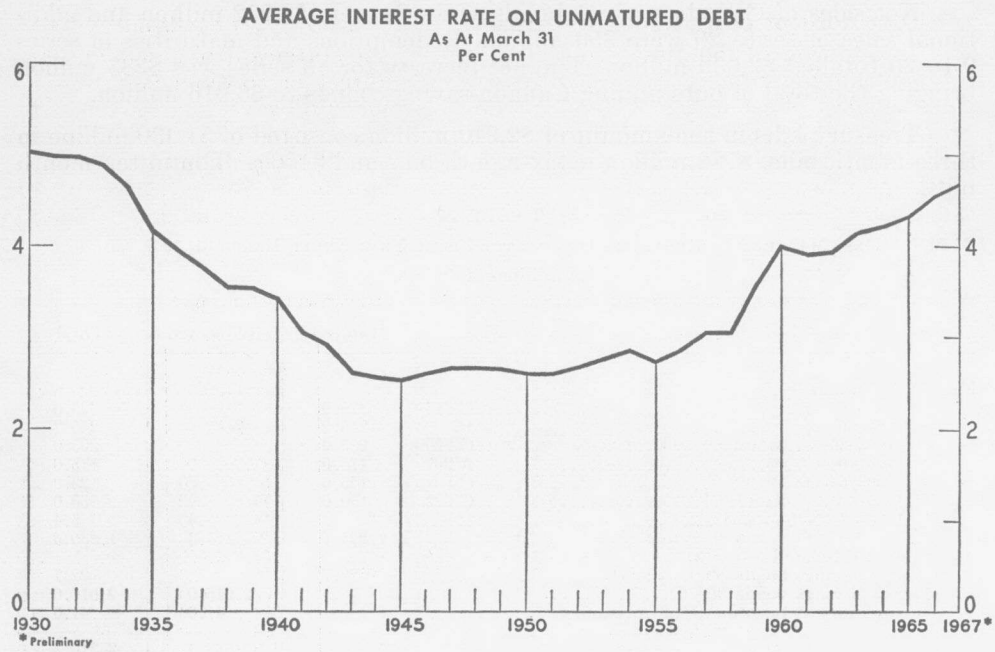
—	Matured	Redeemed	Total
Marketable bonds—			
3½% 1965–66 ..... CT16	325.0		325.0
3% 1964–66 ..... P7	245.2		245.2
3¾% 1965–66 ..... CT20	205.0		205.0
4½% 1961–66 ..... AT 6	175.0		175.0
4½% 1963/64–66 ..... CT 5	125.0		125.0
4% 1965–66 ..... CT22	150.0		150.0
5% 1962–87 (N.Y. loan)		5.4	5.4
	1,225.2	*5.4*	*1,230.6*
Non-marketable bonds—			
Canada savings bonds S9	22.7		22.7
Canada savings bonds S9–20		2,016.0	2,016.0
Unemployment Insurance Commission, 4½%		41.0	41.0
	1,247.9	2,062.4	3,310.3

TABLE 78

NEW SECURITIES ISSUED DURING FISCAL YEAR ENDED MARCH 31, 1967

(in millions of dollars)

—	Price to government	Yield at price to government	Total amount issued	Amount issued for cash
		per cent		
Marketable bonds—				
4¼% 1966–67 ..... F 1	98.90	5.49	155.0	155.0
5% 1966–70 ..... F 2	98.00	5.54	40.0	40.0
5½% 1966/67–80 ..... F 3	98.00	5.71	160.0	160.0
4¼% 1966–67 ..... F 4	98.60	5.60	175.0	175.0
5¾% 1966–69 ..... F 5	99.625	5.88	250.0	250.0
5¾% 1966–92 ..... F 6	97.50	5.94	175.0	175.0
5¾% 1967–92 ..... F 6	100.75	5.69	50.0	50.0
5½% 1966–68 ..... F 7	99.60	5.88	125.0	125.0
5¾% 1966–70 ..... F 8	99.50	5.89	300.0	300.0
5½% 1967–75 ..... F 9	98.625	5.70	70.0	70.0
			1,500.0	*1,500.0*
Non-marketable bonds—				
Unemployment Insurance Commission—				
5¼%	100.00	5.25	89.0	89.0
5½%	100.00	5.50	68.0	68.0
Canada savings bonds—				
Nov. 1, 1965—Nov. 1, 1977, 4½–5½% ..... S 20	100.00	5.03	50.4	50.4
Nov. 1, 1966—Nov. 1, 1979, 5–6% (net) ..... S 21	100.00	5.48	2,271.5	2,271.5
Canada pension plan—				
5.36–5.61%	100.00		1.8	1.8
Weekly treasury bills (net)			160.0	160.0
			4,140.7	4,140.7



Interest rates

The average interest rate on the government's unmatured debt rose to 4.69 per cent during the fiscal year from 4.55 per cent at March 31, 1966.

The yield on three-month treasury bills which was 5.06 per cent at tender on March 31, 1966 was 4.13 per cent at tender on March 30, 1967.

The yield on six-month treasury bills which was 5.30 per cent at tender on March 31, 1966 was 4.11 per cent at tender on March 30, 1967.

The following table shows the high and low yields together with the yield on the latest issues for the fiscal years 1962-63 to 1966-67 inclusive:

TABLE 79

TREASURY BILL YIELDS AT TENDER

FISCAL YEAR ENDED MARCH 31	High	Low	Last issue
	per cent	per cent	per cent
Three-month bills—			
1963	5.51	3.04	3.62
1964	3.90	3.19	3.88
1965	3.87	3.53	3.62
1966	5.06	3.61	5.06
1967	5.20	4.10	4.13
Six-month bills—			
1963	5.74	3.19	3.74
1964	4.06	3.30	4.04
1965	4.06	3.69	3.73
1966	5.30	3.71	5.30
1967	5.33	4.04	4.11
Ten-month bills	4.51	4.51	4.51

Indirect debt or contingent liabilities

In addition to the direct debt as set out in the statement of assets and liabilities, the government has assumed certain indirect or contingent liabilities. These consist of securities of the Canadian National Railways, guaranteed as to principal and interest, the guarantees of insured loans made by chartered banks and other approved lending institutions under the National Housing Act, deposits maintained by the chartered banks in the Bank of Canada, advances under the Export Credits Insurance Act and bank loans under a number of Federal Statutes.

TABLE 80

SUMMARY OF INDIRECT DEBT OR CONTINGENT LIABILITIES (preliminary)

—	Amount of guarantee	Amount outstanding
	$	$
Railway securities guaranteed as to principal and interest[1]—		
1. Canadian National 4½% due April 1, 1967	72,300,000	72,300,000
2. Canadian National 5% due May 15, 1968	55,800,000	55,800,000
3. Canadian National 2⅞% due September 15, 1969	70,000,000	70,000,000
4. Canadian National 2⅞% due January 16, 1971	40,000,000	40,000,000
5. Canadian National 5½% due December 15, 1971	190,561,500	190,561,500
6. Canadian National 3¾% due February 1, 1974	200,000,000	200,000,000
7. Canadian National 2¾% due June 15, 1975, U.S. $6,000,000[2]	6,486,486	6,486,486
8. Canadian National 5% due May 15, 1977	83,925,000	83,925,000
9. Canadian National 4% due February 1, 1981	300,000,000	300,000,000
10. Canadian National 5¾% due January 1, 1985	98,500,000	98,500,000
11. Canadian National 5% due October 1, 1987	158,375,000	158,375,000
	1,275,947,986	1,275,947,986
Other outstanding guarantees and contingent liabilities—		
12. Deposits maintained by the chartered banks in the Bank of Canada[1]	Unstated	1,133,996,567
13. Loans made by lenders under Part IV of the National Housing Act, 1954, for home extensions and improvements[3]	25,000,000	18,693,000
14. Insured loans made by approved lenders under the National Housing Act, 1954[3]	9,500,000,000	5,789,000,000
15. Liability for insurance and guarantees and other commitments with respect to long-term financing under sections 20 and 21A of the Exports Credits Insurance Act[3]	1,100,000,000	485,354,000
16. Loans made by chartered banks under the Farm Improvement Loans Act[3]	120,173,000	82,116,000
17. Loans made by chartered banks under the Veterans' Business and Professional Loans Act[3]	2,000	2,000
18. Loans made by chartered banks and credit unions under the Fisheries Improvement Loans Act[3]	2,700,000	525,000
19. Loans made by chartered banks under the Small Businesses Loans Act[3]	14,434,000	14,434,000
20. Loans made by chartered banks and credit unions under the Canada Student Loans Act[4]	160,230,000	115,600,000
21. Notes issued by the Canadian Corporation for the 1967 World Exhibition[1]	Unstated	166,000,000
22. Loans made by chartered banks to the Canadian Wheat Board[5]	565,698,000	321,482,000
		8,127,202,567
23. Loans maintained by approved lending institutions under National Housing Acts prior to 1954 Act	Unstated	Indeterminate
24. Guarantees to owners of returns from moderate rental housing projects[6]	Unstated	Indeterminate

[1] As of March 15, 1967.
[2] Converted at $1.08108 Canadian official parity rate.
[3] As of December 31, 1966.
[4] As of December 31, 1966. Includes contingent liability in respect of alternative payments to non-participating province.
[5] As of February 28, 1967.
[6] As of December 31, 1966, funds totalling $4,135,376 were held by the Central Mortgage and Housing Corporation. In 1966 rental contracts totalled $13,112,000.

SUPPLEMENTARY DETAILED TABLES

REVENUE

EXPENDITURE

ANNUAL CHANGES IN LOANS AND INVESTMENTS

UNMATURED DEBT

STATEMENT OF REVENUE FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1962–63	1963–64	1964–65	1965–66	1966–67 (preliminary)
Tax Revenue—					
Income tax—					
Personal[1]	1,744.6	1,865.1	2,103.3	2,142.5	2,472.0
Corporation[1]	1,182.8	1,259.0	1,523.8	1,606.6	1,593.0
On dividends, interest, etc., going abroad	129.2	124.5	143.7	170.0	204.0
	3,056.6	*3,248.6*	*3,770.8*	*3,919.1*	*4,269.0*
Excise taxes—					
Sales tax[1][2]	806.0	946.1	1,204.6	1,395.1	1,513.0
Other taxes—					
Automobiles	[3]	[3]	[3]		
Cigarettes, tobacco and cigars	217.8	226.9	218.3	238.1	248.0
Electric power export	0.5	0.1	[3]		
Jewellery, watches, ornaments, etc	5.8	6.4	6.9	7.9	9.5
Matches and lighters	1.2	1.3	1.2	1.2	1.2
Television sets, radios and phonographs	19.9	22.0	23.5	27.0	32.8
Toilet preparations	10.2	11.1	12.8	14.1	16.0
Wines	3.7	3.8	4.1	4.4	4.8
Sundry commodities	1.2	1.3	1.4	2.2	1.4
Interest and penalties	0.5	0.8	1.2	1.6	1.8
Less refunds	−0.4	−0.3	−0.3	−0.3	−0.5
	260.4	*273.4*	*269.1*	*296.2*	*315.0*
Customs import duties	645.0	581.4	622.1	685.5	777.0
Excise duties—					
Spirits	122.1	129.4	134.7	157.0	159.1
Beer	98.2	102.9	105.4	107.9	112.1
Cigarettes, tobacco and cigars	166.5	165.7	177.2	187.1	196.5
Licences	[3]	[3]	[3]	[3]	[3]
Less refunds	−4.9	−4.7	−5.9	−6.1	−6.7
	381.9	*393.3*	*411.4*	*445.9*	*461.0*
Estate tax[4]	87.1	90.6	88.6	108.3	100.8
Miscellaneous tax revenue	[3]	0.1	0.2	0.2	0.2
Total tax revenue	5,237.0	5,533.5	6,366.8	6,850.3	7,436.0
Non-Tax Revenue—					
Return on investments	311.9	366.4	422.7	438.3	517.0
Post office—net postal revenue	192.8	200.7	230.4	237.5	254.0
Other	137.0	152.6	160.4	169.7	159.0
Total non-tax revenue	641.7	719.7	813.5	845.5	930.0
Total revenue	5,878.7	6,253.2	7,180.3	7,695.8	8,366.0

[1] Excluding credits to:

	1962–63	1963–64	1964–65	1965–66	1966–67 (preliminary)
Old age security fund—					
Personal income tax	273.7	302.6	431.9	494.9	576.0
Corporation income tax	115.2	115.7	145.2	152.3	150.0
Sales tax	302.2	331.8	383.2	522.1	560.0
Canada pension plan account—					
Personal income tax				94.9	588.8

[2] Net after deduction of refunds and drawbacks as well as transfers to the old age security fund.

[3] Less than $50,000.

[4] Includes duties levied under the Dominion Succession Duty Act.

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1962–63	1963–64	1964–65	1965–66	1966–67 (preliminary)
AGRICULTURE—					
Administration and general	3.3	3.6	4.1	4.7	4.2
Board of Grain Commissioners	6.2	6.7	6.6	7.2	7.8
Farm Credit Corporation—net operating loss		1.1	0.5	1.0	2.6
Health of animals	13.4	13.2	13.5	15.0	16.2
Production and marketing, including grants and other assistance—					
Administration and general	9.9	3.2	3.0	21.7	3.3
Agricultural commodities stabilization account—net operating loss	71.9	122.2	57.1	39.4	90.0
Agricultural products board account—net operating loss	0.9	1.0	0.3	1.6	5.7
Animal and animal products	14.3	16.3	17.7	18.3	19.7
Plant and plant products	8.7	7.1	7.7	16.4	20.3
Rehabilitation and reclamation projects	27.8	23.7	26.4	28.4	24.9
Research	27.0	27.6	28.8	32.6	35.4
	183.4	*225.7*	*165.7*	*186.3*	*230.1*
ATOMIC ENERGY	63.2	45.9	46.5	54.4	60.2
AUDITOR GENERAL'S OFFICE	1.2	1.3	1.6	1.7	2.1
BOARD OF BROADCAST GOVERNORS	0.4	0.3	0.4	0.4	0.6
CANADIAN BROADCASTING CORPORATION—					
Grants in respect of the net operating requirements of the national broadcasting service	79.0	85.7	85.9	95.1	112.5
International broadcasting service	1.8	1.9	2.1	2.4	2.8
	80.8	*87.6*	*88.0*	*97.5*	*115.3*
CENTRAL MORTGAGE AND HOUSING CORPORATION	8.7	13.5	15.0	21.6	20.1
OFFICE OF THE CHIEF ELECTORAL OFFICER	11.8	11.9	0.6	13.0	0.9
DEFENCE PRODUCTION—					
Defence expenditure	24.2	25.0	27.4	23.0	33.0
Non-defence expenditure	1.9	1.9	3.1	8.2	9.4
	26.1	*26.9*	*30.5*	*31.2*	*42.4*
DOMINION BUREAU OF STATISTICS	11.9	12.3	13.5	15.6	26.7
ENERGY, MINES AND RESOURCES—					
Administration and general	47.2	40.7	42.5	54.6	59.5
Dominion Coal Board	20.4	20.6	23.2	23.4	38.0
Emergency gold mining assistance	15.2	15.0	15.7	14.8	15.0
National Energy Board	0.5	0.6	0.7	0.9	1.1
Water resources branch	5.5	10.3	12.2	13.6	14.8
	88.8	*87.2*	*94.3*	*107.3*	*128.4*
EXTERNAL AFFAIRS—					
Administration and general	23.4	26.2	29.8	34.5	39.2
Assessments, contributions and other payments to international organizations and international multilateral economic and special aid programs	15.3	22.4	20.0	32.0	31.3
External aid	46.5	48.4	81.4	86.0	159.7
	85.2	*97.0*	*131.2*	*152.5*	*230.2*
FINANCE—					
Administration and general	18.3	7.7	7.2	9.8	21.3
Office of the Comptroller of the Treasury	23.3	23.8	24.9	25.4	29.2
Grants to municipalities in lieu of taxes	29.2	31.5	35.7	36.8	37.6

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Continued*

(in millions of dollars)

——	1962–63	1963–64	1964–65	1965–66	1966–67 (preliminary)
FINANCE—*Concluded*					
Municipal Development and Loan Board		0.1	2.7	33.9	41.8
Public debt charges including interest and amortization	917.8	993.7	1,051.3	1,110.9	1,188.0
Subsidies and fiscal arrangements payments to provinces	275.3	254.3	358.4	466.0	515.5
	1,263.9	*1,311.1*	*1,480.2*	*1,682.8*	*1,833.4*
FISHERIES	23.3	23.7	25.6	34.5	41.2
FORESTRY AND RURAL DEVELOPMENT—					
Administration and general	16.2	18.5	20.6	22.0	25.6
Freight assistance and grain storage costs	14.4	18.7	19.1	21.0	21.0
Rural development—rehabilitation and reclamation projects including payments to provinces	1.2	4.6	10.0	14.1	19.9
	31.8	*41.8*	*49.7*	*57.1*	*66.5*
GOVERNOR GENERAL AND LIEUTENANT-GOVERNORS	0.5	0.5	0.7	0.7	0.8
INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—					
Indian affairs	51.0	55.6	64.8	81.7	104.3
Northern development	69.2	58.6	62.5	74.7	93.7
	120.2	*114.2*	*127.3*	*156.4*	*198.0*
INDUSTRY—					
Defence expenditure	8.0	19.0	20.5	23.9	21.3
Non-defence expenditure	0.4	0.7	3.3	5.4	13.4
	8.4	*19.7*	*23.8*	*29.3*	*34.7*
INSURANCE	1.4	1.4	1.4	1.5	1.7
JUSTICE	8.4	9.9	10.7	11.4	12.3
LABOUR	7.2	7.9	23.4	24.0	25.7
LEGISLATION—					
House of Commons	5.9	10.1	11.1	11.5	13.9
Senate	1.8	2.5	2.7	2.7	3.1
Library of Parliament	0.4	0.3	0.4	0.5	0.6
	8.1	*12.9*	*14.2*	*14.7*	*17.6*
MANPOWER AND IMMIGRATION—					
Administration and general	1.8	2.4	5.3	5.6	5.5
Immigration	10.8	11.4	12.2	14.3	21.0
Municipal winter works incentive program	27.1	26.7	42.8	41.1	37.3
National employment service	18.8	19.0	21.7	22.7	33.8
Technical and vocational training assistance payments to provinces	207.9	136.4	97.2	152.8	223.1
	266.4	*195.9*	*179.2*	*236.5*	*320.7*
NATIONAL DEFENCE—					
Administration and general	14.7	14.3	14.4	15.3	26.9
Defence services including development	1,445.6	1,473.1	1,387.0	1,401.3	1,437.1
Defence research	30.9	33.6	36.7	41.6	44.2
Canadian forces superannuation account—					
Government's contribution	58.1	59.6	58.8	58.8	42.7
Special government contribution		76.5			
Amortization of deferred charges			13.4	16.8	72.6
Mutual aid to NATO countries	25.0	28.9	27.5	14.6	18.7
	1,574.3	*1,686.0*	*1,537.8*	*1,548.4*	*1,642.2*
NATIONAL FILM BOARD	5.6	5.8	6.4	6.9	8.0
NATIONAL GALLERY	1.0	1.1	1.3	1.8	1.9

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Continued*

(in millions of dollars)

—	1962–63	1963–64	1964–65	1965–66	1966–67 (preliminary)
NATIONAL HEALTH AND WELFARE—					
Administration and general	1.9	2.0	2.3	2.5	3.1
Food and drug services	2.8	3.4	4.3	5.4	6.8
Health services—					
General health and hospital construction grants to provinces	50.3	53.0	56.7	45.5	45.5
Government's contribution under the Hospital Insurance and Diagnostic Services Act	336.7	392.2	433.9	319.6	397.5
Health resources fund					4.7
Other	6.6	6.9	7.7	7.6	8.3
Medical services	28.9	30.6	32.5	37.5	38.2
Welfare services—					
Canada assistance plan					10.4
Family allowances	531.6	538.3	545.8	551.7	555.8
Youth allowances			26.9	46.5	47.4
Fitness and amateur sports payments	1.1	1.6	2.0	2.5	4.7
Old age assistance, blind persons and disabled persons allowances	62.7	64.4	74.0	45.5	38.1
Unemployment assistance	96.5	107.4	107.5	101.7	143.4
Other	5.9	6.9	7.0	9.1	12.1
	1,125.0	*1,206.7*	*1,300.6*	*1,175.1*	*1,316.0*
NATIONAL RESEARCH COUNCIL, INCLUDING THE MEDICAL RESEARCH COUNCIL	40.6	47.3	56.7	74.4	96.1
NATIONAL REVENUE	78.7	83.0	86.9	95.0	106.0
POST OFFICE	189.4	206.9	210.5	240.2	268.7
PRIVY COUNCIL	2.1	2.9	4.6	4.8	6.4
Economic Council of Canada		0.2	0.8	1.1	1.4
	2.1	*3.1*	*5.4*	*5.9*	*7.8*
PUBLIC ARCHIVES AND NATIONAL LIBRARY	1.1	1.1	1.5	2.0	2.7
PUBLIC PRINTING AND STATIONERY	2.0	2.2	2.7	3.0	4.0
PUBLIC SERVICE COMMISSION	4.8	5.2	6.2	8.0	10.9
PUBLIC SERVICE STAFF RELATIONS BOARD					(1)
PUBLIC WORKS—					
Administration and general	17.5	17.6	30.3	36.0	33.7
Accommodation services	72.2	74.3	87.3	101.7	108.9
Harbours and rivers engineering services	30.8	23.7	30.3	35.4	37.7
National Capital Commission	13.0	12.2	10.3	18.6	33.0
Trans-Canada highway—contributions to provinces	29.2	39.2	76.1	83.4	81.1
	162.7	*167.0*	*234.3*	*275.1*	*294.4*
REGISTRAR GENERAL	3.3	3.5	3.9	4.7	5.6
SECRETARY OF STATE—					
Administration and general	5.0	5.1	16.1	11.0	16.4
Centennial Commission	1.3	3.9	7.3	14.6	30.2
Office of the Representation Commissioner		(1)	0.2	0.8	0.2
University grants	26.3	26.8	27.3	27.7	87.1
	32.6	*35.8*	*50.9*	*54.1*	*133.9*
SOLICITOR GENERAL—					
Administration and general			0.3	0.4	0.6
Correctional services	25.5	27.9	39.0	56.5	57.6
Royal Canadian Mounted Police	65.4	66.9	76.2	82.0	101.6
	90.9	*94.8*	*115.5*	*138.9*	*159.8*

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES FOR THE LAST FIVE FISCAL YEARS—*Concluded*

(in millions of dollars)

——	1962–63	1963–64	1964–65	1965–66	1966–67 (preliminary)
TRADE AND COMMERCE—					
Administration and general	13.9	14.8	16.9	19.6	23.6
Assistance re storage costs of grain	35.7	40.5	34.6	37.5	30.5
Canadian Corporation for the 1967 World Exhibition	0.3	1.2	19.5	4.6	8.9
Canadian government travel bureau	3.3	3.9	4.9	6.3	9.9
	53.2	*60.4*	*75.9*	*68.0*	*72.9*
TRANSPORT—					
Administration and general	8.0	4.5	7.1	5.7	7.5
Air services	136.9	121.1	131.5	143.0	165.7
Atlantic Development Board	(1)	0.2	4.3	23.8	40.0
Board of Transport Commissioners for Canada	1.3	1.4	1.5	1.6	2.0
Payments to railways for the maintenance of the rates of freight traffic	70.6	68.1	68.7	87.6	115.9
Maintenance of trackage	7.0	7.0	7.0	7.0	4.8
Contributions to the railway grade crossing fund	5.8	5.1	5.1	14.0	15.0
Canadian Maritime Commission	31.1	49.8	40.6	50.3	47.0
Canals and works entrusted to The St. Lawrence Seaway Authority	2.9	3.0	29.0	10.1	12.9
Marine services	57.8	64.1	64.5	84.5	100.0
Non-active assets—					
National Harbours Board	5.2	0.3	7.6	4.8	7.0
Railways and steamships	15.9	30.3	35.3	35.0	28.3
Maritime Freight Rates Act	12.9	13.4	14.7	15.1	15.0
Deficits—					
Canadian National Railways	48.9	43.0	38.7	33.4	24.6
Newfoundland ferry and terminals	8.2	8.6	11.1	12.4	13.0
Prince Edward Island car ferry and terminals	3.3	3.4	4.0	4.2	4.6
Yarmouth-Bar Harbour ferry service	0.2	0.2	0.1		0.1
	416.0	*423.5*	*470.8*	*532.5*	*603.4*
TREASURY BOARD—					
Administration and general	13.5	14.5	15.0	19.0	37.3
Public service superannuation account—					
Government's contribution	51.1	54.0	55.6	57.8	59.3
Amortization of deferred charges			10.0	25.9	56.4
	64.6	*68.5*	*80.6*	*102.7*	*153.0*
UNEMPLOYMENT INSURANCE COMMISSION—					
Administration and general	29.3	29.8	32.7	32.4	37.2
Government's contribution to the fund	57.3	59.3	62.1	65.6	68.7
	86.6	*89.1*	*94.8*	*98.0*	*105.9*
VETERANS AFFAIRS—					
Administration and general	10.3	10.0	10.5	10.7	11.6
Pensions for disability and death	175.9	173.2	180.3	185.6	196.1
Provision for reserve for conditional benefits	3.2	3.2	3.1	3.2	3.5
Soldier settlement and veterans land act	4.6	4.5	4.5	4.5	5.2
Treatment services	45.3	45.5	46.8	49.9	54.6
Welfare services, allowances and other benefits	95.4	96.4	106.9	115.8	120.2
	334.7	*332.8*	*352.1*	*369.7*	*391.2*
Total Expenditure	6,570.3	6,872.4	7,218.3	7,734.8	8,794.0

Where transfers have taken place during the current fiscal year, pursuant to the Public Service Rearrangement and Transfer of Duties Act, necessitating the transfer of part votes, such changes as required have been made in 1965–66 and 1966–67, but not in prior years.

(1)Less than $50,000.

ANNUAL CHANGES IN LOANS AND INVESTMENTS FOR THE LAST FIVE FISCAL YEARS

(in millions of dollars)

—	1962-63	1963-64	1964-65	1965-66	1966-67 (preliminary)
Loans to, and investments in, Crown corporations—					
Air Canada	−0.4	0.4	−1.4	0.7	3.0
Atomic Energy of Canada Limited	−12.5	0.4	12.0	11.9	28.4
Canadian Arsenals Limited				−2.5	
Canadian Broadcasting Corporation			14.3	12.5	35.0
Canadian Commercial Corporation	−0.5	−4.0	−2.0	2.0	4.5
Canadian Corporation for the 1967 World Exhibition				44.0	131.0
Canadian National Railways	274.7	−28.8	24.7	59.1	120.9
Canadian Overseas Telecommunication Corporation	11.4	6.2	−0.4	−2.6	−2.7
Central Mortgage and Housing Corporation	101.8	113.3	221.7	315.1	488.6
Export Credits Insurance Corporation	19.6	23.4	33.4	36.4	36.2
Farm Credit Corporation	59.0	69.9	102.4	147.0	164.1
National Capital Commission	9.4	12.1	6.9	7.4	7.1
National Harbours Board	13.8	5.5	1.7	3.0	19.5
Northern Canada Power Commission	−7.2	3.4	5.4	2.1	−0.1
Northern Ontario Pipe Line Crown Corporation	−8.4	−110.6			
The St. Lawrence Seaway Authority	(1)22.7	(1)24.9	(1)−6.5	(1)26.7	(1)29.1
Other	−0.6		−0.1		4.1
	482.8	*116.1*	*412.1*	*662.8*	*1,068.7*
Loans to national governments—					
United Kingdom	−17.5	−17.8	(2)19.6	(2)19.2	−18.9
Export Credits Insurance Act	−105.9	−2.3	−2.3	−2.3	−2.4
Special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada	−5.0	−5.0	−5.0	−1.3	−9.9
Loans to India for the purchase in Canada of aircraft and associated spare parts and equipment		10.0	−1.4	−2.2	−2.7
Special loan assistance—developing countries				5.2	9.9
Other	−0.6				0.4
	−129.0	*−15.1*	*10.9*	*18.6*	*−23.6*
Other loans and investments—					
Subscriptions to capital of, and working capital advances and loans to, international organizations—					
Canada's subscription to capital of—					
Asian development bank					2.7
International monetary fund	12.6				205.4
International bank for reconstruction and development	6.8				4.5
International development association	8.5	7.9	7.9	15.0	15.0
Working capital advances and loans to international organizations	6.2	0.2	−0.2	−0.1	−0.1
Loans to provincial governments	5.8	−0.5	−4.8	−1.7	26.4
Municipal development and loan board			7.6	101.3	122.3
Veterans land act advances	18.6	21.0	14.3	24.1	54.2
Provincial tax collection agreements—advances	13.1	−2.7	−10.4		
Balances receivable under agreements of sale of Crown assets	−2.3	−2.3	−1.8	−1.7	−1.0
Housing projects for Canadian forces	6.1	5.4	2.5	0.2	−0.1
Old age security fund	41.7	58.3	−75.0	−25.0	
Loans to manufacturers of automotive parts in Canada				0.1	12.6
Other	−0.3	−0.2	1.5	10.9	12.4
	116.8	*87.1*	*−58.4*	*123.1*	*454.3*
Net total of changes in loans and investments	470.6	188.1	364.6	804.5	1,499.4

(1) Includes deferred interest.

(2) Deferred interest.

UNMATURED DEBT INCLUDING TREASURY BILLS AS AT MARCH 31, 1967
AND THE ANNUAL INTEREST THEREON (preliminary)

—	Date of maturity	Rate per cent	Amount of loan	Annual interest
			$	$
Payable in Canada—				
Loan of 1966 CT 25	1967 Apr. 1	4	170,000,000	6,800,000
Loan of 1966 F 1	Apr. 1	4½	155,000,000	6,587,500
Loan of 1961 and 1963 AT 9	June 1	4¼	275,000,000	11,687,500
Loan of 1965 CT 18	June 1	4¼	50,000,000	2,125,000
Loan of 1962 AT 12	Oct. 1	3¾	100,000,000	3,750,000
Loan of 1964 and 1965 CT 14	Oct. 1	3¾	250,000,000	9,375,000
Loan of 1966 F 4	Oct. 1	4¼	175,000,000	7,437,500
Canada savings bonds, 1965 S 10	Nov. 1	3¼	(1)17,457,550	567,370
Loan of 1962 AT 11	1968 Jan. 15	4½	250,000,000	10,625,000
Loan of 1964 CT 8	Jan. 15	4¼	130,000,000	5,525,000
Loan of 1966 F 7	Jan. 15	5½	125,000,000	6,875,000
Refunding loan, 1950 P 9	June 15	2¾	308,581,000	8,485,978
Loan of 1964 CT 3	Oct. 1	5	441,000,000	22,050,000
Canada savings bonds, 1959 S 14	Nov. 1	5	(1)770,574,000	38,528,700
Loan of 1960 T 39	1969 Apr. 1	5½	80,000,000	4,400,000
Loan of 1965 CT 23	Apr. 1	5½	100,000,000	5,500,000
Loan of 1962 AT 16	Apr. 1	5½	100,000,000	5,500,000
Canada savings bonds, 1956 S 11	May 1	4	(1)32,084,850	1,283,394
Loan of 1964 CT 11	July 1	5	325,000,000	16,250,000
Loan of 1962 AT 13	Oct. 1	5½	80,000,000	4,400,000
Loan of 1965 CT 21	Oct. 1	5½	145,000,000	7,975,000
Loan of 1966 F 5	Oct. 1	5¾	250,000,000	14,375,000
Loan of 1958 T 24	1970 May 1	3½	200,000,000	7,000,000
Loan of 1965 and 1966 CT 19	July 1	5	175,000,000	8,750,000
Loan of 1966 F 2	July 1	5	40,000,000	2,000,000
Canada savings bonds, 1957 S 12	Nov. 1	4¾	(1)185,669,300	8,819,292
Canada savings bonds, 1960 S 15	Nov. 1	5	(1)251,179,450	12,558,972
Loan of 1966 F 8	Dec. 15	5¾	300,000,000	17,250,000
Loan of 1964 CT 15	1971 June 1	5	350,000,000	17,500,000
Canada savings bonds, 1961 S 16	Nov. 1	4½	(1)187,994,750	8,459,764
Conversion loan, 1958 T 28	1972 Sept. 1	4¼	1,267,203,100	53,856,132
Loan of 1965 CT 17	1973 Oct. 1	5	275,000,000	13,750,000
Canada savings bonds, 1958 S 13	Nov. 1	4¼	(1)64,377,850	2,736,059
Canada savings bonds, 1964 S 19	1974 Nov. 1	4½	(1)466,015,450	20,970,695
Loan of 1959 T 36	1975 Oct. 1	5½	310,361,000	17,069,855
Loan of 1965 CT 24	Oct. 1	5½	50,000,000	2,750,000
Loan of 1966 F 9	Oct. 1	5½	70,000,000	3,850,000
Canada savings bonds, 1963 S 18	Nov. 1	5	(1)498,387,450	24,919,372
Loan of 1960 T 38	1976 Apr. 1	5½	436,198,000	23,990,890
Loan of 1954 T 11	June 1	3¼	247,046,500	8,029,011
Canada savings bonds, 1962 S 17	Nov. 1	5	(1)870,682,450	43,534,122
Canada savings bonds, 1965 S 20	1977 Nov. 1	4½	(1)400,569,864	18,025,644
Loan of 1953 and 1958 T 5	1978 Jan. 15	3¾	207,911,500	7,796,681
Loan of 1954 T 13	1979 Oct. 1	3¼	343,246,500	11,155,511
Canada savings bonds, 1966 S 21	Nov. 1	5	(1)2,271,476,936	113,573,847
Loan of 1962 AT 14	1980 Aug. 1	5½	120,000,000	6,600,000
Loan of 1966 CT 26	Aug. 1	5½	80,000,000	4,400,000
Loan of 1966 F 3	Aug. 1	5½	160,000,000	8,800,000
Conversion loan, 1958 T 29	1983 Sept. 1	4½	1,992,679,450	89,670,575
Loan of 1963 AT 21	1988 June 1	5	100,000,000	5,000,000
Loan of 1964 CT 9	June 1	5	50,000,000	2,500,000
Loan of 1964 CT 12	1990 May 1	5¼	225,000,000	11,812,500
Loan of 1966 F 6	1992 Sept. 1	5¾	225,000,000	12,937,500
Conversion loan, 1956 T 15	1998 Mar. 15	3¾	197,045,000	7,389,188
Loan of 1936 P 1	Perpetual	3	55,000,000	1,650,000
Three-month treasury bills		(2)4.13	1,430,000,000	64,955,000
Six-month treasury bills		(2)4.11	780,000,000	38,079,000
Ten-month treasury bills		4.51	100,000,000	4,510,000
Special non-marketable bonds—				
Unemployment Insurance Commission		4½	39,500,000	1,777,500
		4⅞	63,500,000	3,095,625
		5¼	89,000,000	4,672,500
		5½	68,000,000	3,740,000
Canada pension plan investment fund		(3)5.36	1,894,000	104,231
			19,574,635,950	920,142,408

UNMATURED DEBT INCLUDING TREASURY BILLS AS AT MARCH 31, 1967 AND THE ANNUAL INTEREST THEREON (preliminary)—*Concluded*

—	Date of maturity	Rate per cent	Amount of loan	Annual interest
			$	$
Payable in New York—				
Loan of 1949	1974 Sept. 1	2¾	[4]65,087,502	1,789,906
Loan of 1950	1975 Sept. 15	2¾	[4]41,047,527	1,128,807
Loan of 1962	1987 Oct. 15	5	[4]259,459,200	12,972,960
			365,594,229	15,891,673
			19,940,230,179	936,034,081

The interest shown is a projection for one year at the annual rates on principal amounts outstanding at March 31, 1967. Where various rates of interest are applicable during the term of a loan the interest rate in effect at March 31, 1967 has been used.

[1] Preliminary.

[2] Rate of discount at tender on March 30, 1967.

[3] Rate of interest on bonds issued March 2, 1967.

[4] Conversion rate $1 U.S. = $1.08108 Canadian.

HOUSE OF COMMONS

Friday, June 2, 1967

The house met at 11 a.m.

[*Translation*]

PRIVILEGE

MR. LESSARD—ANONYMOUS LETTER RECEIVED BY MEMBER FOR SAINTE-MARIE

Mr. H. Pit Lessard (Saint-Henri): Mr. Speaker, at the opening of the sitting yesterday the hon. member for Sainte-Marie (Mr. Valade) rose on a question of privilege, charging me with sending him an abusive and defamatory letter; I want here, in this house to deny categorically such an accusation. I have never written a word to the hon. member for Sainte-Marie.

Mr. Speaker, it is regrettable that the hon. member for Sainte-Marie has availed himself of one of my rare absences from the house to make false and unfounded charges.

Mr. Speaker, I know that this is a means taken by the hon. member for Sainte-Marie to get free publicity.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, about the question of privilege, I do not intend to repeat what I said yesterday when I mentioned the name of the hon. member for Saint-Henri (Mr. Lessard), because such information, as I said, was given me by the sergeant-at-arms following inquiries I had made to Your Honour to find out who had written that letter. Therefore, it is in the light of such information that I mentioned the name of the hon. member for Saint-Henri.

If the hon. member denies that he wrote that letter, I think that the information given me by the sergeant-at-arms was inaccurate and I would therefore like to know who wrote the letter.

Mr. Choquette: Table the letter and we will know.

[*English*]

[*Later:*]

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare in his capacity as government house leader. Following the statement by the hon. member for Sainte-Marie (Mr. Valade), will the minister make an inquiry in respect of the mysterious letter received by that hon. member and see that it is tabled?

Mr. Speaker: Order, please.

FISHERIES ACT

NEWFOUNDLAND—AMENDMENT RESERVING INSHORE FISHING GROUNDS

Mr. Joseph P. O'Keefe (St. John's East) moved for leave to introduce Bill No. C-126, to amend the Fisheries Act.

Some hon. Members: Explain.

Mr. O'Keefe: Mr. Speaker, there have been complaints, many and serious, that fishing vessels off the coast of some parts of Newfoundland have been in some cases destroying the fishing grounds and equipment of inshore fishermen, and in other cases that these vessels have hampered their fishing operations. It is with a view to restricting fishing operations of these vessels that this bill is introduced, and by so doing restricting certain inshore fishing grounds to the exclusive use of inshore fishermen.

Motion agreed to and bill read the first time.

• (11:10 a.m.)

[*Translation*]

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

AMENDMENT RESPECTING MEANING OF WORD "UNIT"

Mr. Maurice Allard (Sherbrooke) moved for leave to introduce Bill No. C-127, to amend the Industrial Relations and Disputes Investigation Act (Meaning of "Unit").

Some hon. Members: Explain.

Mr. Allard: Mr. Speaker, the purpose of this bill, as requested by the Confederation of National Trade Unions for the last 13 months, is to amend the federal Industrial Relations and Disputes Investigation Act so as to allow recognition of the natural bargaining unit and thus to better promote freedom of association of employees directly or indirectly under the jurisdiction of the central government.

Motion agreed to and bill read the first time.

Inquiries of the Ministry

[*English*]

UNITED NATIONS

MIDDLE EAST—REQUEST FOR STATEMENT OF CANADIAN POSITION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister and ask him if, as a result of his talks with the Prime Minister of Great Britain, Mr. Wilson, he can inform parliament whether Canada has given any undertakings as to a joint statement regarding the gulf of Aqaba. I ask this question because I am sure the Prime Minister is aware that such a suggestion was made in the House of Lords the other day by Lord Avon, who was prime minister at the time of the Suez crisis in 1956. I wish to ask whether Canada is to participate in a declaration to the effect that the gulf of Aqaba is an international waterway.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the question of participation in a collective declaration regarding action of this kind has not come up. There has been no discussion of participation with other governments in any declaration of this nature. On the question of a declaration by this and other governments expressing the views they have taken in the past—I am now thinking of Canada—as to the right of freedom of passage, innocent passage, through the strait of Tiran into the gulf of Aqaba, we have already made a declaration as a government that we take this view, and if it is necessary to repeat that declaration we will do so and are willing to do so. That is quite apart from any general collective declaration as to what might or might not be done in this particular situation.

Mr. Starr: A supplementary question, Mr. Speaker. I ask the right hon. Prime Minister whether during the discussions with the British Prime Minister or any other discussions the government might have had with U Thant at the United Nations the government has committed or is committing Canada to any definite course. If so I wish to ask the Prime Minister, if there are any commitments or if there will be commitments, will he undertake to consult parliament prior to entering into commitments on behalf of Canada?

Mr. Pearson: Mr. Speaker, the only commitments we have in this matter are the commitments we have undertaken under the charter of the United Nations. No other commitments have been given; no other commitments have been asked. This general matter is being considered now at the United Nations in the security council. No doubt there will be resolutions submitted to the security council dealing with the matter my hon. friend has raised, and we shall take our position at the security council as a member of the United Nations in respect of these particular resolutions if and when they are produced; but we have no commitment to anyone beyond the commitments we have undertaken in this country and in this parliament arising out of our membership in the United Nations.

Mr. Starr: I would ask the Prime Minister this question. Will he undertake to advise parliament or seek parliament's advice before making any commitments beyond the commitments that we have with the United Nations?

Mr. Pearson: I answered that question yesterday, I think, Mr. Speaker. I said if there was any question of this country undertaking any commitments that involved the use of force in any way, parliament would be consulted.

Mr. David Lewis (York South): May I follow up the same problem, Mr. Speaker. I ask the right hon. gentleman whether an earlier answer of his means that in the view of the government of Canada there is no purpose in a declaration by the maritime powers at this time such as I understand Mr. Wilson to have proposed, because that would be merely reiterating a previous declaration.

Mr. Pearson: Consideration has been given to this point by the government of the United States and the government of the United Kingdom, and Mr. Wilson indicated to us yesterday the kind of declaration he thought might be desirable in certain circumstances—and by "circumstances" I mean if the security council were completely frustrated and unable to take any action at all. But that point has not yet been reached.

Mr. Lewis: I should like to ask the Prime Minister whether the latest developments in the security council hold out any hope that some effective result may be obtained.

Mr. Pearson: Well, I am always optimistic, Mr. Speaker, but I quite agree with what the hon. member has implied in his question; they are having great difficulty in the security council at the present time in agreeing on a resolution which would be acceptable to everybody.

Mr. H. A. Olson (Medicine Hat): We know the attitude of the Canadian government toward this waterway, but does the government intend to sponsor or seek a collective declaration by the security council respecting the gulf of Aqaba?

Mr. Pearson: This is exactly the matter which is now before the security council, or at least which is being discussed at the United Nations by consultations among individual members of that council.

Mr. Heath Macquarrie (Queens): Although I constitute only 1.05 per cent of the second largest party in the house, might I presume a broader representation and ask the Prime Minister whether he would convey to the C.B.C. appreciation for airing the press conference of the British Prime Minister this morning, and to that distinguished gentleman for his lucid, thoughtful and helpful contribution to our understanding of world affairs.

Some hon. Members: Hear, hear.

Mr. H. W. Herridge (Kootenay West): I should like to ask the Prime Minister another supplementary question. In his discussions with the Prime Minister of Great Britain was any consideration given to the unfortunate situation of some 750 Arab displaced persons? This appears to be a festering point, one which has caused a lot of this difficulty. Was there any discussion of this matter with a view to finding permanent settlement for these people?

Mr. Pearson: This is a question which has been under discussion at the United Nations and outside it for several years. It is not a question of 750 displaced persons but of 750,000 displaced persons. I agree with the hon. member that this is one of the complicating and tragic elements of the whole situation and one which over the years has been causing trouble.

FARM MACHINERY

REQUEST FOR MORATORIUM ON PRICE INCREASES

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): My question is directed to the Minister of Agriculture. In view of the fact that last night the Minister of Finance failed to offer any assistance to farmers faced with the high cost of farm machinery, would the hon. gentleman not now consider bringing in a moratorium in connection with farm machinery prices until his colleague gives this matter consideration in his budget?

Hon. J. J. Greene (Minister of Agriculture): I think the hon. member is aware, since we have discussed this matter previously, that to my knowledge we have no authority at the federal level to fix or set prices even if we wished to do so. I believe the farm machinery inquiry under Dr. Barber is progressing satisfactorily, responsibly and at a good pace. Certainly any action that is recommended by it in respect to farm machinery costs will be given very serious consideration.

Mr. Rapp: As a supplementary question, when does the minister expect that the report of the commission will be presented to this house?

Mr. Greene: Dr. Barber has not given us any date, and I do not wish to hurry him with the job. We want a full and complete job done, but if it is going to be any considerable length of time I will ask him to consider the possibility of an interim report.

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. Would he consider using his good offices to make an appeal to the farm machinery manufacturers not to increase their prices, as he did previously with respect to another industry?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, in my budget I directed a general appeal. I do not think I would want to select any particular industry at the present time. I hope all industries in this country and all those concerned with production will observe the general admonitions I gave last night.

[*Translation*]

EXPO '67

POSSIBLE CLOSING OF PAVILIONS OF ARAB COUNTRIES

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs.

Is the minister aware that one Arab country and several others, namely the United Arab Republic, have already expressed their intention of closing their pavilions at the World Exhibition in Montreal? Since the minister realizes, I am sure, that such a situation

could compromise the success of the exhibition, could he tell us what is the position of his department regarding the possible closing of the pavilions of some Arab countries at the Montreal World Exhibition?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I know there is one country that has decided to close its pavilion.

I am in contact with the minister for foreign affairs of Kuwait, but I have no reason to think, for the time being, that any other country will follow the decision taken by Kuwait. I am in contact with the minister of foreign affairs for that country and I hope that the authorities will reconsider their decision.

Mr. Asselin (Charlevoix): Has the minister been advised by the United Arab Republic of its intention to close its pavilion as a result of the position taken by Canada concerning the Middle East?

Mr. Martin (Essex East): No, Mr. Speaker.

[*English*]

CANADIAN CITIZENSHIP

STATUS OF PERSONS VOLUNTEERING ASSISTANCE TO ISRAEL

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. This being the fourth day since I sent him written notice of this question and the third day since I raised it in the House of Commons, when he replied he would take it as notice, in view of the increasing urgency may I ask whether the minister is now in a position to tell the house what decision has been reached by his department on the passports and the retaining of Canadian citizenship by those who may be volunteering for civilian and perhaps other action in Israel.

Hon. Paul Martin (Secretary of State for External Affairs): Of course, Mr. Speaker, there can be no question of the right of a person to obtain a passport if he has Canadian citizenship. As I said the other day, the question of the implications of the Foreign Enlistment Act is being referred to the law officers of the crown. I have not had an opportunity this morning to consult my colleague the Minister of Justice to see whether an opinion has been received. I shall certainly look into the matter again.

[Mr. Asselin (Charlevoix).]

Mr. Winch: As a supplementary question, and because I think the matter is rather important, may I ask the minister whether in the consideration being given to volunteers leaving Canada for Israel the decision of the government will also apply to Canadians who have moved across the border and are serving in the United States forces in Viet Nam?

Mr. Martin (Essex East): It is not so much a question of the decision of the government as an interpretation of the law. I certainly can see no reason why there should be any differentiation made.

[*Translation*]

LABOUR RELATIONS

LANGUAGE QUALIFICATIONS OF MEMBERS OF BOARD

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to put a question to the Minister of Labour.

Did the minister or members of the cabinet meet yesterday or recently with representatives of the C.N.T.U., and is the government now in a position to accede to the request of the C.N.T.U. concerning the bilingual qualifications of the chairman of the Canada Labour Relations Board and the recognition of the national unit of negotiations?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, dealing with the last part of the question, may I repeat what I have said more than once, if and when the government has any changes in legislation to recommend they will be made known to the house in the usual way.

As regards the first part of the question, I can only say that no request was ever made to meet with the Minister of Labour yesterday, though I understand that certain officials, no doubt representatives of the organization in question, have met with some of my colleagues from the province of Quebec. I was not present at any such a meeting, however.

[*Translation*]

HEALTH AND WELFARE

REQUEST OF COUNCIL OF BLIND FOR ELIMINATION OF MEANS TEST

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

Did the minister receive a telegram from the Canadian Council for the Blind, which held a convention in the maritimes last week, requesting the abolition of the means test for blind persons applying for pensions? I would ask him at the same time whether it is his intention to consider that request from the blind during this session?

[*English*]

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I received a telegram from the blind persons. In replying to the telegram I stated that under the Canada Assistance Plan, which has been passed by parliament and in respect of which agreements have been signed I believe with all provinces now, it is possible to provide assistance to blind persons without the application of the means test and without limitation whatsoever by the standard ceiling. We are prepared, in respect of the needs test application, to share in any amount granted by the provinces to recipients of blind persons allowances.

INDUSTRY

MARITIME PROVINCES—DISCUSSIONS RESPECTING DESIGNATED AREAS

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, my question is for the Minister of Industry and is in connection with the talks that are now being held in the maritimes concerning the designated areas. Could the minister say whether such talks are based on the new program or the old program? I am wondering whether the minister can give us any information which would be helpful concerning the changes which were proposed in the throne speech.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, in relation to the review of the designated area program currently in progress I would hope, perhaps later today, to have more news.

FINANCE

NOTICE OF TARIFF CHANGES FOLLOWING GENEVA CONFERENCE

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, I should like to address a question to the Minister of Finance regarding information contained in his budget address of last night. Because of the serious implications to the industries in Canada as a result of the tariff changes agreed to in Geneva, can the minister indicate the manner in which such changes will be made public? Will they be released to the press, will they be released to the House of Commons first, or will they be released to the various industries? I think this is a matter for serious consideration.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have no hesitation in saying that if the house is in session when we reach the point where all the countries agree that the information should be made public, the information will be given to the House of Commons first. On the other hand, if the house is not in session at that time publicity will be given through the press under the ordinary security regulations, so that everyone in the country is informed at the same time.

CRIMINAL CODE

PROPOSED AMENDMENT RESPECTING REPRESENTATION BY COUNSEL

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Justice. I should like to ask him whether, in the study being made regarding revisions to the Criminal Code, consideration is being given to an amendment to the code which would spell out the right of every person being questioned by the police to be represented by legal counsel at a very early stage in the proceedings, along the lines spelled out in recent decisions of the United States supreme court.

Hon. P.-E. Trudeau (Minister of Justice): I can inquire into that. I know of no such study being made at this time.

PENITENTIARIES

SPRINGHILL, N.S.—DELAYS IN CONSTRUCTION OF INSTITUTION

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, my question is for the Solicitor General. Is it the intention of the minister to cause an investigation to be undertaken into the substantial delays associated with the completion of the young offenders penal institution at Springhill? If so, what type of investigation can be expected and when might a report be available?

Mr. Speaker: Order. I suggest to the hon. member that this question should be placed on the order paper.

Inquiries of the Ministry

DOMINION DAY

INQUIRY AS TO OBSERVANCE OF JULY 1 HOLIDAY

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 statement made yesterday by the Minister of Justice, which appears at page 845 of *Hansard*, to the effect that the government can by proclamation declare July 3 a holiday and thus enable the country to have a long weekend for our one hundredth birthday, will the government give consideration to making such a proclamation?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as I understand the situation the proclamation in question would only cover federal civil servants, the banks and certain institutions. It would not in itself bring about a national holiday on that day. However, I will be glad to look into the possibility of the limited action to which my hon. friend refers.

Mr. Knowles: I have a supplementary question. Will the Prime Minister discuss this matter with the Minister of Justice, whose position yesterday was much broader than the Prime Minister now suggests?

Mr. Pearson: Mr. Speaker, I do not think there is any difference of opinion between us as to the legal effect of a proclamation, but I will be glad to discuss it with him.

Mr. Knowles: Will you agree to do something?

NATURAL GAS

SOUTHWESTERN ONTARIO—DAMAGE CAUSED BY PIPE LINE CONSTRUCTION

On the orders of the day:

Mr. J. G. Lind (Middlesex East): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the new order issued by the National Energy Board to the Interprovincial Pipe Line Company to construct sections of an additional pipe line over areas in southwestern Ontario where they have drainage, so they will not interfere with the existing planned or unplanned municipal drainage both public and private, will the minister assure us that the farmers' rights in respect of damage to the surface property will be looked after, and will he also assure us that any damage which has been caused in the past will be looked after by the National Energy Board in the granting of this order to the Interprovincial Pipe Line Company?

Mr. Speaker: Order, please. I am sure the hon. member will want to commit these questions to the order paper.

DRUGS

STEPS TO GIVE CONSUMER BENEFIT OF TAX REDUCTION

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Finance. Has his attention been drawn to the fact that many manufacturers of drugs have increased their wholesale prices since the possibility of the removal of the tax has been known? If so, what action is being taken to ensure that the tax reduction will be passed on to the consumer?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have not received any definite information about what has been happening to the price of drugs, although like the hon. member I have had one or two intimations that some increases have taken place recently. There is only one effective way the federal government can bring about a reduction in the price of drugs, and that is by removing some of the protection now being given drug manufacturers. That is our purpose and that is our policy as announced by the government last night.

AGRICULTURE

REPRESENTATIONS BY PRAIRIE FARM ORGANIZATIONS RESPECTING DAIRY POLICY

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Minister of Agriculture. I should like to ask him whether he is making any analysis in depth of the representations that I am sure have been made to him by prairie agricultural organizations, alleging that if the present dairy policy is continued it will result in the closing down of a great number of creameries and small dairy plants in Manitoba, Saskatchewan and Alberta.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I met with the dairy farmers of Canada some time ago, and western representatives formed a part of that delegation. We are giving very serious consideration to the views presented at that meeting.

[*Translation*]

CANADIAN CONSTITUTION

SELECTION OF PERSONS TO ACT IN ADVISORY CAPACITY

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to direct my question to the Minister of Justice and Attorney General.

When he has to choose experts to study constitutional matters, does the minister intend to add to Messrs. Goldenberg and Head two other Canadians of a high calibre, namely Messrs. Marcel Faribault and Jacques-Yvan Morin?

Mr. Speaker: Order. I do not think that question is in order.

[*English*]

NATIONAL DEFENCE

RECALL OF SHIPS FROM EASTERN ATLANTIC AREA

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Associate Minister of National Defence, who was unable to answer the question I put to him last week. On May 24 the Minister of National Defence announced that three ships were being sent to the eastern Atlantic to be available in case of emergency. Have these ships been recalled, and will the Minister of National Defence be present at the Atlantic port to welcome the crews back to Canada for publicity purposes?

Hon. Léo Cadieux (Associate Minister of National Defence): So far as the ships are concerned, Mr. Speaker, they have been reassigned.

FINANCE

USE OF NICKEL REPLACING SILVER IN CANADIAN COINS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Finance, asking him whether, in light of the world silver situation, he intends to advance the time for replacing certain silver coins with nickel coins?

Mr. Speaker: Order, please. I suggest that this question should be placed on the order paper, unless there is some urgency to it which is not readily apparent to me.

Inquiries of the Ministry

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I think this is an urgent matter, and I should like to assure the hon. gentleman that it is under active consideration.

DEFENCE PRODUCTION

INQUIRY AS TO ORDER FOR 800 JEEPS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct my question to the Minister of Defence Production. I learned about this matter just this morning through the press, and I should like to ask the minister whether the order for 800 jeeps for the Department of National Defence valued at approximately $3 million is being given to Canadian manufacturers. If not, is there still time to make sure that this is done?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, if I understood the question correctly it related to an order for 800 jeeps. I have no personal knowledge of this order or rather of the details of it at the moment. I do know that military pattern jeeps are not manufactured in Canada. We are able to obtain the benefits of scale production by buying outside Canada.

Mr. Winch: Did I understand the minister to say that he had no knowledge of this order for 800 jeeps?

Mr. Speaker: Order, please.

PUBLIC SERVICE

LEGISLATION TO INCREASE PENSIONS OF RETIRED CIVIL SERVANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the President of the Treasury Board may I direct a question to the Prime Minister. Can we be assured that the government's legislation implementing the recommendation of the special joint committee on the public service of Canada for increases in the pensions of retired civil servants will be presented to the house before we break for a summer recess?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am afraid I cannot give my hon. friend that assurance. We will do our best if progress on other matters in the house is sufficiently encouraging.

Mr. Starr: Oh, come on.

Inquiries of the Ministry

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to ask the government house leader whether matters concerning the program for this session should not be discussed by the house leaders rather than across the floor of the house, of which we have had an example today?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I did not hear the exchange, but I have been in discussion with the house leader for the official opposition in respect of the business of the house.

Mr. Churchill: The exchange just took place between the member for Winnipeg North Centre and the Prime Minister. That hon. member, as my colleague from Winnipeg frequently does, asked whether something would be done before something else happened. Can we not have these discussions carried out by the house leaders through quiet diplomacy?

Mr. Knowles: Mr. Speaker, I rise on a question of privilege. Yes, I am one of the house leaders. Yes, we have discussions amongst the house leaders as to the business of this house. But surely as a member of this house I have the right to ask for the introduction of legislation that has been promised time and time again.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Knowles: Mr. Speaker, I give a ten o'clock notice regarding my question with respect to retired civil servants.

BUSINESS OF THE HOUSE

INQUIRY AS TO SUMMER RECESS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I apologize for rising so often this morning. May I direct to the right hon. Prime Minister a question that is almost but not quite supplementary. It is a matter of major concern. I am speaking of persons like myself in the House of Commons whose homes and constituencies are some 3,000 miles away. I have been home for only one week since this parliament opened. Could we not get some kind of definite indication as to what is going to happen with regard to a summer recess? I am returning to my constituency on the 23rd in order to take part in centennial celebrations. Can we have some information—

Mr. Speaker: Order, please.

[Mr. Starr.]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to ask the house leader to deal with that matter.

Some hon. Members: Oh, oh.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I am very grateful to have the opportunity to tell hon. members of the house what the prospects are for the summer adjournment. The legislative items have already been indicated, and they are not very many. In addition to these it will be necessary for us to take action following action in the Senate in respect of one item. That is the legislative program to be dealt with before the summer adjournment. It has already been outlined. There is no intention to add further items. We propose on Tuesday to hear a spokesman for each of the opposition parties on the budget. We will then move the adjournment of the budget debate and resume it in the fall.

With that in mind, the only matter remaining, as far as the government is concerned, to be dealt with before the summer adjournment is completion of the main estimates. We have sent the estimates of nine departments to standing committees for consideration. These departments will be considered there and it may not be necessary to consider them very extensively in committee of supply. There then remain the main estimates of departments not sent to committees to be completed and we will proceed immediately to a summer adjournment. In my view a realistic target could be the end of June, but that will depend upon hon. members.

Some hon. Members: Hear, hear.

NATIONAL DEFENCE

INQUIRY AS TO COST OF MOVING SERVICEMEN

On the orders of the day:

Mr. Lee Grills (Hastings South): Mr. Speaker, I would like to address a question to the Associate Minister of National Defence. Can he explain to me why the Department of National Defence will spend up to $2,000 to move a retired serviceman to the west coast, yet there is not enough flexibility in the rules to allow servicemen to be moved a distance of about 12 miles at one quarter of the cost?

Mr. Speaker: Order, please. The question cannot be asked at this time.

Mr. Grills: Ten o'clock, Mr. Speaker.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

POST OFFICE DEPARTMENT

1. Postal services including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $293,708,000.

The Chairman: Order. House again in committee of supply, estimates of the department of the Postmaster General for the fiscal year ending March 31, 1968, vote No. 1. This vote will be found at page 380 of the blue book. The details thereof are listed on page 381.

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Chairman, before reporting on the situation in the Post Office Department, I should like to acquaint the house with my personal views and feelings about that department after a year and a half of a very close relationship.

Of course, we all deal constantly with the Post Office Department, because that government agency is, in a way, part of our daily life and succeeds in providing us with numerous services without ever betraying our secrets.

During my trips across Canada, I had the opportunity to meet postmen, mail clerks, rural postmasters, rural mail couriers and postal agents, all people whose devotion to duty ensures the proper operation of the Canadian postal service.

Need I say, Mr. Chairman, that these people are not simply a group of employees working for any business, they are the employees of the Canadian post office, that is to say the very people who give Canada the best mail service in the world and who show that they are determined not to let the Canadian postal service become involved in operating difficulties as experienced by other postal services.

Too often, when an organization does a job quietly and efficiently from year to year, those who benefit from this quiet efficiency come to look upon it as the most natural thing in the world. Who ever thinks of the complications of post office operations and of the vast planning job always necessary to maintain a good service in a rapidly developing country?

After a year and a half, I have come to know this lively department, of which I am proud to be a part. I am proud to present today for the third time, the estimates of the Post Office Department, the moneys we require for the operating costs of the department during 1967-68.

A glance at the figures for the fiscal year 1965-66 on which was based our last report will give everyone an idea of the wide operations of the Post Office Department and of the enlightened management which is needed, as shown by the report of expenditures and revenues.

About 4,600 million mail items are now handled every year. That comes to 240 items per year per man, woman and child in Canada. This figure can be considered as a rate of increase, since every time the population of Canada increases by one person, the post office must be ready to handle 240 items more a year.

Mail carriers, urban and rural, are now serving 4,100,000 business and private calls. The handing of mail and service to the public give occupation to 44,244 employees in 11,172 post offices. The revenues in cash amounted to $276 million, while the expenditures amounted to $279 million. One must take into account other revenue amounting to $9 million for postal services to other departments and parliament against expenditures set at $36.5 million for local services to the Post Office Department by the other federal agencies. If those estimates are added to the cash revenue and to the expenditures, the Post Office Department shows an operating deficit of $30.5 million, since the total revenue amounted to $285 million, whereas the expenditures totalled $315.1 million.

• (11:50 a.m.)

The increased rates announced for some services, such as parcel post, third class mail, registered mail, special delivery and C.O.D. shipments, which will become effective on June 1 and October 1 of this year, will help to reduce the deficit of the Post Office Department, but the trend towards an increase in costs, for transportation as well as labour, might maintain expenditures at a higher level than the revenue. This fact becomes even more obvious when one realizes that transportation and labour account for approximately 89 per cent of the post office total expenditures.

However, one must not consider only the financial aspect of the operation of the Post Office Department. The Canadian post office is something more than a mere mail processing plant. It is not only a matter of receipts and expenditures. It also concerns the people.

It is a matter of buildings, and working conditions. It is also a matter of a service rendered to the entire population and to the country.

If it had been otherwise, it would not have been necessary to create a royal commission on working conditions in the Post Office Department. The report of the royal commission, tabled on October 19, 1966, contained 282 recommendations dealing with a great number of subjects related to labour relations as a whole within the postal organization.

On behalf of the department, Mr. Chairman, I say that we heartily welcomed the report. All of us must congratulate the commissioner, Justice André Montpetit, and his advisers for their speed and perseverance during the inquiry and for the depth of perception evidenced in their study of the problems of the Post Office Department.

The report points out that the Canadian people are well served and that the credit goes to the department and its employees. It insists that none of the recommendations is intended to reduce the quality of the service given the public. It indicates, however, and very cleary, the need for a certain number of radical reforms in working conditions and in employer-employee relations. Those reforms, as mentioned in the report, will result from the implementation of collective bargaining and from the grievance procedure provided by the legislation on collective bargaining.

All through the report, the need for systematic discussions between management and representatives of the employees is emphasized in order to discover problems of mutual interest, to explain to the employees the nature of any major change affecting their working conditions and to obtain their views with regard to any change before its implementation.

That is the spirit and the method which the Post Office Department has decided to use in order to implement the recommendations contained in the report and which are fully within its control.

A commission made up of department officers and representatives of the Postal Workers Union of Canada and the Mail Carriers Union of Canada holds regular meetings for a joint consideration of a selected number of recommendations. That commission operates in such a friendly atmosphere that the postal service and the news media receive joint statements as to progress made.

[Mr. Côté (Longueuil).]

[*English*]

To date 57 recommendations have been adopted and another 67 are reaching the stage of agreement or at least acceptable understanding. Yet another 60 are receiving preliminary study. Along with this action a grievance procedure has been developed and issued for implementation. Labour-management committees will be established in all the staff post offices. Consultation with the unions as to the composition and terms of reference of these committees is now under way.

The Post Office Department has had under study the feasibility and economics of operating its own trucks in the larger Canadian cities for the delivery of parcel post, letter carrier bundles and special delivery, and for the clearance of street letter boxes. Last December a labour-management dispute between the Montreal contractor for the city services and his employees temporarily threatened the postal service in that city and elsewhere, as Montreal is a key point in the over-all Canadian mail system. This was a case of the Canada post office being a third party in an industrial dispute. The short work stoppage which resulted in curtailed mail service emphasized the need to accelerate the study of post office operated vehicles.

The department has owned and operated vehicles in the city of Windsor, Ontario, with a marked degree of success. Whether it is more economical to own and operate or lease and operate is the question to be decided. All calculations would indicate the latter to be the better arrangement. To prove this, areas in Montreal and Vancouver have been selected for pilot project study. Arrangements to lease vehicles have been made. They will go into operation July 1 in the area selected at both centres.

The dislocation this move will cause to employees of the contractors in Vancouver and Montreal has been taken into consideration. The employees of the contractors will have every right to apply for positions in the government operated service. As they are experienced in the duties to be performed, such as an intimate knowledge of the area to be served, the method of delivery and the mail pick-up system, they will naturally receive a high knowledge rating if and when they apply for employment with the Post Office Department.

If tests bear out the favourable forecast made for this type of operation, the Post Office Department will move forward to total operation of its transportation services in the larger centres where leased fleet operations

can be more efficient and economical than the old contractual arrangements.

Mr. Chairman, I trust my remarks will give the members some idea of the action behind the scenes that keeps the letter carrier on the street, that keeps the rural mail driver on the road, that keeps the postal clerk behind the wicket and that keeps each and every one of them at their appointed task of providing a top flight mail service to the people of Canada. It was interesting to listen to the C.B.C. radio program "Court of Opinions" at 8.30 p.m. May 26, when the panel discussed the question "Do we have a well operated postal service?" Probably the members will not believe it when I say this question was not planted, but I can say I was happy with the unanimous opinion of the panel, and I am sure the members will understand my elation, because the consensus was that Canada does indeed have a well operated postal service.

Mr. Chairman, having quoted that favourable opinion I will close my remarks and ask hon. members of the house to earnestly consider the amounts represented by the estimates which I consider are necessary to continue to provide our country with a well operated postal service.

• (12 noon)

Mr. McCutcheon: Mr. Chairman, my first remarks must be to compliment and thank the minister for his statement. Many questions I had in mind were answered in the statement which has just been concluded.

If I might be permitted a personal reference to the gentleman who holds the distinguished portfolio of Postmaster General, I should like to say that in my opinion he has brought a very pleasant personality to the office, which has been reflected in a reasonable and courteous attitude toward the many requests made of him by members of this chamber. Personally I have had many dealings with the department through him, the last of which was no later than today. However, nothing has impressed me more than his personal attention to a matter dealing with obscene and hate literature passing through the mails which was recently brought to my attention. This information was relayed to the minister who immediately took action, and within hours the mailing privileges of this despicable organization were cancelled.

I compliment the minister on his attitude, and I wish him well. I would remind hon. members that he is the seventh postmaster general we have had since 1962. We seem to change postmaster generals as often as we change the styles of ladies' hats. However, Mr. Chairman, if we have to put up with this government then our present Postmaster General will, I hope, continue in office, even though he has already lasted longer than the average over the last five years.

I should like to refer to the summation of the minister on May 19 last, which is to be found at page 5331 of *Hansard*. The Postmaster General said as follows:

> When my colleague, the present Minister of Labour, was postmaster general, he supported the recommendation of the Glassco commission for the adoption by my department of a more suitable accounting system to identify all the accounts receivable by the department and all its financial charges, in order to get a clearer picture of the department's financial position.

I am positive, Mr. Chairman, that many members in this chamber are as confused as I am about our accounting procedures. I should like to refer for a moment to the abridged report of the public accounts of Canada for the fiscal year 1966. In the statement of expenditure and revenue the amount shown for the Post Office Department by way of expenditure is $240,206,458. The post office revenue is shown as $237,482,296, which gives a deficit of $2,724,162. Yet I am sure I heard the Postmaster General say this morning there was a deficit of $30.5 million.

I concur completely with his statement last year that we should have some simplified accounting procedure, but there is quite a difference in amount here. I presume there is a simple explanation for it, but frankly I am not an auditor. As I say, according to the abridged report of the public accounts a deficit of $2,700,000 is shown. In the estimates for 1966 we find that the cost of franked mail was $1,262,200. If that amount is by-passed, the Post Office Department had an actual deficit of $1,400,000.

In report No. 21 of the proceedings of the standing committee on public accounts for October 13, 1966 a statement appears which admittedly is based on 1965 figures, and I should like to put it on record:

> The committee notes that whereas the Post Office Department's transactions recorded in the post office section of volume II of the public accounts for the year ended March 31, 1965 showed an excess of revenue over expenditure of $20,030,000, this financial result did not take into account other expenditures estimated at $35.8 million and other revenues estimated at $4.3 million. If this unrecorded expenditure and revenue had been taken into the accounts, the operating deficit of the Post Office Department for the year ended March 31, 1965 would have been $11.5 million instead of the excess of revenue over expenditure, or surplus, shown at $20,030,000 for the year.

Now, Mr. Chairman, what gives here? There seems to me to be quite a difference between these figures and those in the abridged report. I hope there is a good explanation for this, and I expect the minister will answer this question when he replies.

If I may refer back to the committee report, the next paragraph reads as follows:

> The committe also notes that if the loss incurred by the Post Office Department from second class mail had been recaptured, it would have more than covered this operating deficit of $11.5 million for the 1965 fiscal year. In 1956-57 postal revenues from second class mail were $6 million, with the Post Office Department estimating the cost of handling it at $24 million. Seven years later, or in 1963-64, these revenues had increased to slightly over $8 million while the cost of handling it was estimated by the Post Office Department to have exceeded $43 million, resulting in a loss of $35 million. The committee regretted that no figures were available on May 25, 1966 showing the size of losses incurred on second class mail in 1964-65 or in 1965-66.
>
> The committee feels that there is something wrong when no action has been taken with respect to, and apparently very little consideration given to, its recommendation on this matter. The committee first drew the matter to the attention of the house in its third report 1958 and, while minor changes have been made, the annual loss has continued to increase and the committee is of the opinion that sufficient consideration has not been given to the solution of this problem.

The next sentence, Mr. Chairman, is a gem:

> It considers it essential that the Post Office Department or parliament immediately find ways and means of covering the loss of the Post Office Department in handling second class mail without this being done at the expense of other classes of mail, keeping in mind, however, the need of assistance to small independently owned newspapers circulating in rural areas.

My question to the minister at this juncture is an obvious one. What plans are afoot to correct this situation?

Last year the hon. member for York-Humber raised the question of the international postal agreement and compared second and third class mailings as between Canada and Denmark. I should like to inquire of the minister what is the relative volume of second and third class United States mail handled by our post office that brings in no revenue. In other words, can the minister give me the relative figures? How much second or third class Canadian mail goes to the United States and how much United States mail of that kind comes into Canada? What is our net loss in this transaction? It has been suggested in certain circles that our taxpayers are paying between $1.5 million to $2 million for deliveries, for example, of *Time* and *Reader's Digest*. I should like the minister to say whether that is so. Is what I have said correct? If so, what is to be done?

• (12:10 p.m.)

I wish to mention something else now, the cost of franked mail in Canada. On page 381 of the blue book of estimates the estimated cost of franked mail for the current year is shown as $1,124,600. The amount shown for last year was $1,262,200. The cost this year has decreased by approximately $147,600. Perhaps the next question is unnecessary but I shall ask it none the less. Was the larger amount in the previous year occasioned by the bad advice the President of the Privy Council gave the Prime Minister about a date in November, 1965?

An hon. Member: It could be.

Mr. McCutcheon: If so, I think the Canadian public is entitled to know that besides the advertised costs they have also to foot the bill for some hidden expenses whenever there is an election. If this is the situation I think it is a dashed shame.

I note something else. In 1966 we paid $381,700 to cover exhibits, advertising, films, broadcasting and displays. What does that mean? What films, broadcasts or advertising does the department put out, other than "Mail early before Christmas"? I know of no other program. Surely we are not advertising that our stamps are better than Steinberg's pinky stamps or gold bond stamps?

It is a coincidence that we should be discussing the estimates of the Post Office Department today when yesterday the department put into effect an unprecedented 45 per cent increase in some postal rates. Where is this escalation in the cost of living to stop? I wish to give an example of the new rates for registered mail. Until yesterday you could register a letter with a value of up to $25 for 35 cents; today that same letter will cost 50 cents. That is an increase of 45 per cent. Yesterday you could register a letter with a value of up $50 for 45 cents; today that letter costs 50 cents to register. Yesterday a letter with a value of up to $75 cost 50 cents to register, and today it costs 75 cents to register. That is an increase of 50 per cent. This is an example of how ordinary people are being forced to pay for the loss leader part of the operation.

In fairness to the minister I must say that he is all heart when it comes to mailing postcards to foreign places. All postcards were charged at letter rates, but now you can

send a postcard to Japan, say, for 10 cents, or to any part of the world for that matter. The cost used to be 25 cents for that privilege. I submit that this sort of thing does not help Canadians very much, though I expect our tourists are happy at the reduced rates on postcards.

In conclusion, I hope the minister has some plan in mind to implement the all-embracing recommendation of the public accounts committee. May I repeat a sentence from that committee report to be found on page 1007 of the proceedings of Thursday, October 13, 1966:

> It considers it essential that the Post Office Department or parliament immediately find ways and means of covering the loss of the Post Office Department in handling second class mail without this being done at the expense of other classes of mail, keeping in mind however the need of assistance to small independently owned newspapers circulating in rural areas.

If what is outlined there can be done, then I suggest that our present Postmaster General will go down in history as a world's champion.

Mr. Winch: Mr. Chairman, I am grateful to the Postmaster General for mentioning in his introductory remarks the new policy that his department is to follow on an experimental basis in two of the major cities of Canada. On July 1 the government is to take over from Pony Express Limited the bulk of the collection and delivery of mail, and the parcel post business. I have talked to the minister and corresponded with him about the situation in the city of Vancouver, and I wish to thank him for the expeditious way he has answered my letters and for his readiness to discuss the entire matter with me.

Though I do not object to the principles involved in the takeover I object strongly to how the takeover is to be conducted and how it will affect the employees concerned. I regret that I have to raise this matter on this first vote of the department to be considered. I cannot speak for Montreal, but I know that in my own city of Vancouver the collection and distribution of mail which the minister spoke of has been carried on by Pony Express Limited, that is by private agents. In talking and corresponding with me and in what he said today the minister made it clear that there are two major reasons for this change which is to be made on July 1.

One reason is understandable and stems from the recent experience in Montreal, when the postal service of Canada was disrupted because of a strike against the company holding the postal contract. The strike directly affected the receipt and delivery of all mail in Montreal and the dispatch of letters and parcels throughout Canada and elsewhere. The minister also informed me that it is the conclusion of the department that economies could be effected were the Post Office Department to handle mail in my area. I will not challenge the contentious propositions of the minister as to why the change is to be made. I wish to speak, sir, on behalf of employees in the city of Vancouver, some of whom have occupied their positions for 25 years, and of their position when the government takes over from private enterprise.

• (12:20 p.m.)

Surely those in Vancouver who have been doing this job for 25 years know the work. What consideration was given to these employees? It would seem to me that when the government takes over on July 1 the efficient thing to do would be to take on these employees who know the pick-ups and the deliveries. Is that how the government operates? No; they will not be taken into the civil service as employees of the Post Office Department. They are out unless they make application to the civil service commission. Advertisements have been placed in the papers inviting people to apply for employment as truck drivers, but there are only two kinds of driver; those who have been doing this job and know it, and those who have never worked in this kind of employment and do not know one thing about it.

Until ten days ago—and I thank the minister for his letters to me—only three of the Pony Express drivers in Vancouver had made application for these jobs. Why is this number so small in comparison with the number of men who are being displaced? It is because those who have worked for this company in Vancouver for as long as 25 years are being asked to apply for employment in the civil service at lower wages than they have been receiving. How can men who know the work, men with years of loyal service behind them, be asked to apply for positions in the civil service and work for the government for substantially lower wages?

There is another important point, I know, to be considered. If I understand the situation correctly the Public Service Employees Association—speaking from memory I believe there are around 20,000 in this group—want a

national standard of wages. I agree in principle with those who wish to see a national standard of wages, but I do not believe that when the government takes over an operation from private enterprise the standard of living of the employees should suffer. In Vancouver the department is lowering the standard, lowering the wages; and I say as emphatically as I can that no government when it takes over an operation of this kind has the right to lower the standards of any worker in Canada or to worsen the working conditions of our people in Vancouver. If the union wants a national wage standard, fine; but let it not be achieved on the basis of lowering standards in the west so as to raise them in the east. Raise them in the east, but do not lower them in the west. Hold the west.

To me it is almost incomprehensible that any department of this government would wish to lower standards, yet the contract basis upon which the post office is working now is designed to raise them in the east while lowering them in the west. No wonder that until ten days ago only three of the truck drivers of the Pony Express company in Vancouver had made application to the civil service in connection with these jobs.

Am I not putting forward a reasonable case, Mr. Chairman? When a move is made from free enterprise to public operation let us not lower the standards of employees, even if ultimately a national wage standard is required in order to simplify the general bargaining picture. Do not reduce the wages and standards of the west. Hold them, if you have to, until the rest of Canada catches up. I think it is a nasty day in the history of Canada when the government, taking over from private enterprise, decides to reduce wages and worsen working conditions. Surely something else could be done.

I appreciate the government's point of view. I hope economies can be made by means of greater efficiency. But, I repeat, to me it seems despicable that a government should take over an operation without arranging that those who have given their loyalty to their previous employers, those who know the job, are not taken over automatically to continue the work which they and they only understand.

• (12:30 p.m.)

I think it is a denial of so-called liberalism that with regard to standards you should, on a national basis, increase standards in some areas and decrease them in others. I believe the minister should hold to the standards which are highest and bring the others up to that level. Heaven forbid that we should have a government policy to reduce standards, but that is what is being done in Vancouver, and that is what will happen after July 1. I hope there is still time between now and then to correct this policy which I think is absolutely immoral and, if I may say so, very unpolitical.

Mr. Madill: Mr. Chairman, on entering the discussion of the estimates of the Post Office Department I wish to make a few brief and pertinent remarks. I had a survey made in my constituency of all mail courier contracts, and I wish to thank the Postmaster General and his staff for the courtesy they extended me and for the material with which they supplied me.

It is interesting but also disappointing to learn that for similar mileage there should be such a discrepancy in rates paid per contract. True, there are some different aspects which enter into the picture, such as the number of mail boxes on a route, but there are also other factors which must be considered, such as the terrain travelled by the couriers. For instance, carrying out a mail contract on a highway, county or improved road is certainly much easier in wintertime, because such roads are patrol plowed several times a day, than is the case with a contract covering back roads, which quite often are not plowed every day. Further, when the spring breakup comes many back roads are almost impassable, and sometimes a mail courier losses the muffler or oil pan off his car. This is an added expense to him because he must keep his car in safe condition at all times.

Today highways and new improved roads are built with a 7 degree to 9 degree incline and descent, but back roads are not constructed to that standard. They still have steep hills which are subject to washouts in the spring. This involves much braking going down hill and changing of gears going up hill, which cuts down the mileage per gallon which a courier gets with his car. In this connection I would point out that the spring of 1967, which has just ended, was one of the worst so far as roads were concerned.

The survey I spoke of is confidential, but I feel that the discrepancy in rates should be corrected. To give a few examples from the survey, one courier on a route covering 27.9 miles per day, six days a week, receives $2,768.62 per annum. Another on a route of 28.1 miles per day, six days a week, receives $1,985.91 per annum. This is a difference of

$782.71 per annum. The first contract of which I speak was renewed in 1965 and the second in 1966, and we all know that the price of gas, automobile insurance and car repairs, not to mention the cost of living, has been spiralling since 1965.

If we take the minimum wage scale of $1.25 per hour, using a 20 mile per day route and an average work day of three hours, this would work out at $3.75 per courier, plus $2 for gas at 10 cents per mile, making a total of $5.75 per day. In a normal year a mail courier would work at least 307 days, and this would give him a minimum contract pay of $1,765.25.

I give three examples from the survey. One route of 20 miles provides the courier with $1,380.10 per annum. A second route of 20.2 miles provides the courier with $1,326.26 per annum. A third of 20 miles provides $1,470,00, and a fourth route of 18.7 miles provides the courier with $2,100.00. There is quite a discrepancy there. I could make many more comparisons, but at this stage am content to recommend that a full review be made, with the hope that it will result in equalization of remuneration for equal work hours and miles driven.

I wish to commend the Postmaster General for putting identification on cars carrying rural mail. When I spoke on his estimates previously I made that recommendation. The minister sent me a note saying he thought it had merit. He has now implemented it, and I want to thank him for that. I would also like to commend the minister for introducing door to door mail delivery in the town of Orangeville. I requested such service as far back as 1963, and now four years later it has been provided.

I would like to make one suggestion to the minister respecting flexibility in interpretation of the act. According to the manual, people in small hamlets must live a certain distance from the post office before they can have their mail delivered to rural mail boxes. Quite often small hamlets are made up of retired elderly people. Because these hamlets do not have sidewalks their inhabitants must walk on the roads. Poor eyesight and bad hearing create hazards both for the pedestrians and for motor traffic, and I believe that in certain cases the minister and the department could consider having mail delivered to rural boxes even though those boxes are within the distance specified by the act.

Like my colleague from Lambton-Kent I would like to express thanks to the Postmaster General for the many courtesies he has extended to me and for his prompt attention to matters that I brought to his attention.

Mr. Cowan: Mr. Chairman, I have a few comments I would like to make with regard to rates on second class mail. I made them previously, but I am afraid the attention that was paid to them then presages the attention that will be paid to them now.

• (12:40 p.m.)

I would draw the attention of the committee to the fact that I spoke last year before the public accounts committee of the House of Commons with regard to postage rates on second class mail. At the time I asked a number of questions, and I was advised by officials of the Post Office Department that I would receive the answers I requested. Since I am a patient man I am still patiently waiting for these details. I shall repeat the questions now in the hope that they will be answered before the public accounts committee meets again, because I intend to appear before that committee again if necessary.

One of the questions I raised before the public accounts committee with regard to postal rates had to do with the rate per pound being paid for air mail transmission. At page 385 of the blue book under vote No. 1 you will find the following: Mail service by railway, $14,660,000; mail service by ordinary land conveyance, including rural mail delivery, $41,938,000; mail service by air, $21,738,000 and mail service by water $2,705,000. This is for the year we are in. These are not inconsequential figures. There is no breakdown, however, given with regard to the rate for small service by air per pound.

I like the expression the Postmaster General used today. He said, and I agree with him, that the Post Office Department is giving top-flight service. It is giving top-flight service, true enough, particularly on first class mail moved by air. My question is this. I should like to know what rate the Post Office Department is paying air line carriers per pound for the mail which moves by air compared to the rate per pound for the mail moved by land, water conveyance, or otherwise.

My question before the public accounts committee was based on the fact that quite a few years ago I was advised by a very senior official of the Post Office Department in Canada, who was provoked about it, and I was provoked about it at the time and still am if it is still true, that when the Canadian government first began to move mail by air—the main carrier at that time was

Trans-Canada Air Lines and before the members from the province of Quebec start to say that this is not its name I would say I am talking of 20 years ago—the president of Trans-Canada Air Lines, who was very jealous of his reputation as a businessman, stated that he was not going to see Trans-Canada Air Lines operated at a loss so long as he was president. Through negotiations with the Canadian government the president of Trans-Canada Air Lines secured payments for moving postal matter by air, which payments had no relation to the value of this service. As a result of receiving large payments from the Post Office Department for moving mail by air, Trans-Canada Air Lines had very fine financial statements.

Now, the volume of mail moved by air has greatly increased over what it had been in the past. I should like to know whether there is some rate per pound or per hundredweight which has been established on mail going by air, as compared to the mail which may move by land, water, or other means of conveyance in this country. Are we paying too much for the conveyance of mail by air compared to what it could be moved for by other means? This is a question which in any privately owned business would be watched day by day. At the end of the month there would be a separate notation made concerning what the carrying charges were per pound by air, what they were by rail and what they were per pound by water, so the mail could be moved by the most economical means consistent with good service.

Are we still paying the air lines the rate they demand for moving mail by air without any regard to what the rate is per pound for the business handled?

Members of the Liberal party are sometimes colloquially called the government, but the cabinet makes certain it is called the government and asks that a private member should support the cabinet when it makes what they call government policy. As members of the party we are not asked what the rates should be for special service. We are just asked to O.K. the particular item in the votes. Since this matter is not raised either in the party caucus or in the policy conventions of the party, I should like to ask why we convey all across Canada for nothing these publications which come in from all foreign countries. This question has been raised over the past 25 years with whatever government was in power. I will say one thing; every government was equal to the task of doing nothing during that time.

[Mr. Cowan.]

The hon. member for Lambton-Kent, speaking a little earlier in this discussion, referred to the fact that I raised this matter last year. I am referring to it again this year, and I expect I will refer to it as long as I am a member of this house, because the answer is always given that nothing can be done about it for five years until the next world postal congress meets, at which time the international postal rates are discussed.

The international rates are set for five years. There has been a meeting of this international postal congress since I came into the house five years ago this month and nothing has been done about it, although I personally raised the point in private conversation not with the present Postmaster General but with other postmasters general, and was assured that the matter would be taken up at the meeting which was to be held first in Rio de Janeiro and then, because of some trouble down there, was held in Vienna, Austria.

The international postal rates were not changed in the slightest. As the hon. member for Lambton-Kent correctly quoted me saying a year ago, we now move any Danish publication which might enter Canada at Montreal right clean through to Nanaimo or Victoria, British Columbia for exactly the same remuneration as the Danish post office moves a Canadian newspaper from Copenhagen to some outer island in Denmark, and that is exactly zero; because there is no division of the revenue received from publications by post offices in the originating country.

I have also raised the point—with regard to the tens of thousands of mail subscriptions to United States publications which cross the international border into this country every day. If you do not wish to accept tens of thousands every day, then average it on a day by day basis for the weekly publications, the monthly publications and the quarterly publications which come into this country by international mail service under the international agreement whereby Canadian publications are given the same rights in other countries that the Canadian post office gives to foreign publications in this land; but consider the distances which we move those publications and consider the disparity in circulation between United States publications selling in Canada and Canadian publications selling in the United States of America.

I have previously made the suggestion to wh ch I referred earlier in these remarks—and of course no action was taken—that on

certain days of the year the Post Office Department of Canada should hold up the second class mail originating outside the country in order to estimate the volume of second class mail coming into the country on which we receive no revenue. The suggestion that it be held up for one day so a check can be made to see how far the original subscriptions are moving and what is the weight of the mail, is based on the action of the Post Office Department over the past 20 years of holding up all parcel post mail for two days a year when they check to see what is the volume of parcel post mail crossing the border both ways and how far it is being transported. Then cheques are issued for the difference in weights and the difference in mileage by the country that is enjoying the advantage of parcel post mail under this international service.

Similar arrangements could be made in respect of second class mail. This would go a long way toward eliminating this deficit of $30 million which the Postmaster General has mentioned has accrued to the Canadian post office in the year ending March 31, 1967. Now we have a promised deficit for next year of $740 million. As a loyal Liberal I must state that I ran for parliament in 1962 because I did not like the deficits Mr. Fleming was piling up; but as a loyal Liberal I must say that Fleming evidently cannot do anything that we Liberals cannot do bigger.

• (12:50 p.m.)

Next year we are going to give you a real ripper of a deficit of $740 million, and I wonder what the post office deficit will be as a contribution to that figure. I tell you, Mr. Chairman, that the taxpayers are becoming a little fed up with the way money is cast around in this country with apparently little regard for any means of either cutting down expenditures or bringing in revenue to offset the expenditures being made.

I do not think the $30 million deficit in the postal service is at all necessary. This is one department of the government where, if the cabinet would take firm action, the deficit could be eliminated and eliminated very quickly, even though they have this international agreement on which they always rely when you talk about international mail crossing the border.

Mr. Herridge: Will you please tell us how the deficit could be removed?

Mr. Cowan: I have mentioned the holding up of second class mail at the border and checking to see what weight is coming in and how far it is going, and then asking the originating country to pay a certain rate per pound for moving this international mail over great distances. I have another suggestion in respect of second class mail. I know of no reason this country should carry small weekly newspapers free of charge within a certain distance of the office of publication. Having been in printing or in the newspaper business all my life, I have never been able to comprehend why this is done unless it is as a favour to the local publisher so he will always speak well of the local member of parliament, realizing he is being given a subsidy which is of some value to him.

I know of weekly newspaper publishers who mail all their papers to their readers because it costs them nothing, although it does require a little effort on the part of the circulation department. On the other hand I know of other weekly newspaper publishers who, because of the time required to wrap the papers and address them to their subscribers, even though there is no postage involved, tell their subscribers to come down to the office and pick up the papers. In this way they do not go through the local post office.

Why should there be an exemption from postal rates whereby local weekly newspapers do not pay postage at all for delivery within a certain area of the office of publication? Such a privilege is not granted to businessmen in any other line of endeavour. If the man is a seed merchant in a town and receives an order to send certain seeds to a farmer some distance away from the town where the man has his seed shop, he has to pay postage. However, if that farmer wants to take the weekly newspaper the newspaper does not have to pay postage. Why is there this discrimination in favour of the weekly newspaper publisher as opposed to other classes of businessmen who have to pay postage in respect of the service rendered by the post office?

I do not think the imposition of a reasonable postage charge on weekly newspapers would cost the weekly publishers a great deal of money, because they would ask their subscribers in the small towns of publication to come to the office and pick up the paper each week. They would only have to mail papers to those subscribers on rural routes or those living some distance away who may have been sons or daughters of the community and still like to read the weekly paper. This would eliminate the practice on the part of weekly publishers which I believe is helping to create

the deficit, and would do away with this largesse from the Canadian taxpayer. Please keep in mind that these publishers are not accepting largesse from the Canadian government but from the Canadian taxpayer, who has to foot the bill for this $30 million deficit in the Post Office Department for the year ending March 31, 1967.

There is another classification which I think should be changed by the government, and it could be done by setting another rate. Why should we give a special rate in respect of agricultural publications moving across the country? It is fine to say that agricultural publications are being read by the farmers and this helps the farmers increase productivity in Canada. The more the farmer learns from his weekly or monthly periodical the better off the country is, and it is argued that we should sustain weekly farm publications in order that knowledge and advice may be brought to the farmer in respect of his work.

Please bear in mind that farmers do not own these publications. The two largest farm publications in Canada today are owned by possibly the two wealthiest families in the country. I know of no reason for granting a special postage rate in respect of the *Family Herald and Weekly Star* out of Montreal, or the *Free Press Prairie Farmer* out of Winnipeg. One is owned by McConnell and the other is owned by Sifton. Heaven knows that the Canadian taxpayer should not be asked to subsidize families like those simply because they publish farm publications with circulations in rural communities. This is the type of subsidization which is not readily apparent to the Canadian taxpayer, but when he is hit with a $30 million deficit he would surely like to know how it came about. I believe the time has long since passed when the taxpayer should have been told exactly how these deficits accrue.

Mr. Churchill: Do these publishers have political affiliations?

Mr. Cowan: I understand from reading editorials in the Winnipeg *Free Press* regarding the armed forces unification bill that they were not too happy with the present government, but historically in the past they have had a connection with the Liberal party. I may say in answer to the member for Winnipeg South Centre that his question would have been more appropriate six months ago, before the time of the unification bill. I believe I understand the point he is endeavouring to make by his question.

[Mr. Cowan.]

In regard to the Montreal situation, I am sure it does not require a single member of parliament such as myself to provide the answer. It is self evident to every member of the house whether there are political affiliations involved there. I might point out that this largesse to the families owning these agricultural papers has always been continued no matter which party was in government, whether it was under R. B. Bennett, Mr. Diefenbaker, Mr. King, Mr. St. Laurent, or the present Prime Minister. Possibly political affiliations have had nothing to do with the situation, but this is a situation that should be corrected for the benefit of the Canadian taxpayer.

I should like to make another point in connection with rates of postage on second class mail, but it is now one o'clock and if it is agreeable to the committee I will call it one o'clock unless there is a desire that I should continue.

Mr. Churchill: No, it is one o'clock.

The Chairman: Order. It being one o'clock, pursuant to standing order 6(3) this sitting is suspended until two thirty o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Chairman: Order. House again in committee of supply, estimates of the department of the Postmaster General for the fiscal year ending March 31, 1968, vote No. 1.

Mr. Cowan: Mr. Chairman, when the midday break came I stated that I wanted to make some comments with regard to the zone rate of postage on second and third class mail as another means of reducing last year's deficit of $30 million in the Post Office Department. The question of imposing in Canada a zone rate of postage on newspapers and magazines has been discussed times without number ever since the United States introduced a zone rate of postage more than 30 years ago.

The discussions I as a businessman have had with the Canadian government on numerous occasions as to why they did not have zone rate postage have always resulted in my being told in effect that the Canadian people would not like to see a zone rate of postage imposed because the subscription rates of national magazines would probably be raised to

meet the increased postage. I do not know what the difference is between paying a low subscription rate and then having to pay for a post office deficit, and paying a high rate for publications and not having a post office deficit. The zone rate of postage has been imposed in the United States for a long time and is a successful way of making the publishers pay a just and fair proportion of the cost of handling their publications in the mail.

The interesting thing about the zone rate of postage is that in the United States the rate does not vary on the editorial content. In this way there is no interference by the government, through the means of the post office, in the dissemination of editorial news or views to the nation. The rate goes up according to the zones through which the publication may travel and according to its advertising content. There is a low rate for the first or local zone and a higher rate for the second zone. If it moves through a third zone there is a higher rate and if it moves into a fourth zone there is again a higher rate, and so on.

It is interesting to remember that those great Canadian publications *Time* and *Reader's Digest,* which were given Canadian citizenship overnight although it takes a human being five years to obtain it, can be mailed in Montreal and travel the breadth of Canada from the west side of Vancouver Island to the east side of Newfoundland for the one rate of postage. They cost the taxpayers of Canada money every year because they do not pay their full mailing charges. Yet when these publications are mailed from the office of their publication in the United States they pay a zone rate of postage to move through the states.

Time and *Reader's Digest* are published simultaneously in a number of centres. This reduces the time consumed in transmission by mail in addition to reducing the cost of zone rate postage. When *Time* used to be published only in New York city and was mailed across the nation it travelled through a large number of zones. The same situation applied to *Reader's Digest.* Now that they are published simultaneously in a number of centres, their mailing may only take them through three zones. It is interesting to compare the situation that exists in Canada and the United States with regard to these publications. In the United States they have to pay a zone rate of postage according to the mileage travelled and the amount of advertising carried, whereas in Canada they go from the Atlantic to the Pacific with only one charge, no matter how many miles they travel.

For the Canadian government to argue that they should not impose a zone rate of postage is ridiculous, because the Canadian government right now agrees with Canadian National Railways charging passenger fares according to the distance travelled. You cannot travel by railroad from Ottawa to Almonte for the same price as from Ottawa to Vancouver. But a publisher in Ottawa can mail his newspapers from Ottawa to Vancouver for the same price as from Ottawa to Almonte. On the railway you cannot send freight from Ottawa to Vancouver for the same rate as from Ottawa to Almonte. The freight rate is gauged according to the mileage travelled. You cannot send an express parcel from here to Carleton Place for the same rate as from here to Vancouver. You cannot send a telegram via Canadian National from here to Smiths Falls for the rate you would have to pay if you sent it to Vancouver. But if you are a magazine or newspaper publisher you can mail your publications for exactly the same rate no matter what the distance travelled. This is grossly unfair.

• (2:40 p.m.)

In so far as Air Canada fares for passengers are concerned, they are set according to the mileage covered. The hon. member for Timmins pointed out the other day how much those rates jump when you even cover an extra 12 miles in a flight from Timmins to Ottawa. If the government is authorizing, through these government owned agencies such as Canadian National Railways and Air Canada, rates for passengers, freight and express according to the mileage traversed, then surely the government can authorize postage rates according to the mileage traversed. It is a basic fact of business that the farther anything is carried and the greater the weight, then the carrying charges are set accordingly.

The C.B.C. is another crown corporation. They are always emphasizing this fact. They are only asking for $143 million this year from the Canadian taxpayers, so if that does not make them a crown agency I do not know what does. However, you cannot advertise over a C.B.C. station in Ottawa and expect to reach listeners in Vancouver or Halifax, Nova Scotia for the one charge on the one radio station. On the other hand, if you advertise in an Ottawa newspaper, that newspaper can be sent to readers in Vancouver or Halifax. You can reach them through the newspaper and as a result of the payment of one postal carrying charge. If you wanted to reach people across the nation by radio you would have to buy time on a large number of radio stations and

obtain a network service. The cost would go up according to the area you were covering with your radio message.

These are three government agencies which impose charges according to mileage involved. This is not the case with postal services. We do not have zone rates for postage. I am convinced that the second class postage deficit could be eliminated in part by not allowing cheaper rates for newspapers having less than 10,000 circulation. Lord Thomson happens to own the Kamloops *Sentinel* in British Columbia, with a circulation of 8,510. He also owns the Kelowna *Courier* with a circulation of 6,505 and the Nanaimo *Free Press* with a circulation of 8,415. On all of these publications he pays 33⅓ per cent less than other newspapers such as the Woodstock *Sentinel* and the Sudbury *Star* which he also owns.

The committee on public accounts, under the chairmanship of the hon. member for Wellington South, presented report No. 21 dated Thursday, October 13, 1966. This report contains some very interesting comments with regard to the deficit on second class mail. The hon. member for Lambton-Kent made reference to it this morning and quoted from committee reports pointing out that the loss incurred by the Post Office Department could be entirely eliminated if there were reasonable rates for second class mail. I should like to read a paragraph from report No. 21. The chairman of the public accounts committee is in the house at the moment. I am reading from page 1007 of the report of the public accounts committee:

> The committee feels that there is something wrong when no action has been taken with respect to, and apparently very little consideration given to, its recommendation on this matter.

The reference is to second class postage rates.

> The committee first drew the matter to the attention of the house in its third report 1958 and, while minor changes have been made, the annual loss has continued to increase and the committee is of the opinion that sufficient consideration has not been given to the solution of this problem. It considers it essential that the Post Office Department or parliament immediately find ways and means of covering the loss of the Post Office Department in handling second class mail without this being done at the expense of other classes of mail, keeping in mind, however, the need of assistance to small independently owned newspapers circulating in rural areas.

This is the report of the public accounts committee. They point out that nobody pays any attention to their recommendations. Yet we have men standing up in this house extolling the great value of the committee system. Well, I guess you can extol the great value of the system and pay no attention to the reports produced and see that they do not interfere with the operation of the government in any way. Here is the public accounts committee pointing out in black and white that nobody is paying any attention to them.

Mr. Winch: The report was passed unanimously, by the way.

Mr. Cowan: I am glad to have that interjection indicating that the report was passed unanimously. I do not know whether the report will rate any higher with the cabinet than if it had been passed on division. However, I am glad to note that it was passed unanimously. I should like to see some action taken. All I am trying to do is to eliminate the second class postage deficit for the Post Office Department and thus reduce the national deficit of the government as a whole. We must remember that many mickles make a muckle. If we can eliminate the deficit of one department, perhaps we can eliminate the deficits of all and we will get a balanced budget.

I must say I do not care a great deal for the little tail on that paragraph in the report, "keeping in mind, however, the need of assistance to small independently owned newspapers circulating in rural areas". There is another area of free postal service and it involves the little weeklies. The dailies of less than 10,000 circulation have a 33⅓ per cent lower rate. As I have said, Lord Thomson owns the Kamloops *Sentinel*, the Kelowna *Courier* and the Nanaimo *Free Press*. Then there are the Prince George *Citizen* with a circulation of 10,435 and the Prince Rupert *News* with a circulation of 4,045. These two newspapers are owned by the same publisher. The *Citizen* has a higher rate of postage than the *News*. Does one newspaper publisher need to have support from the Canadian taxpayer because he prints the Prince Rupert *News* but no similar support when he prints the Prince George *Citizen*?

If we skip across the country to Newfoundland we come up with the interesting fact that the St. John's *Evening Telegram*, with a circulation of 41,000, is owned by the Herder family which also owns the Corner Brook *Western Star* which has a circulation of 9,717. The taxpayer subsidizes the *Western Star* because its postage rate is one cent a pound, while for the St. John's *Evening Telegram* the postage rate is a cent and a half a pound. Does the owner of the St. John's

Evening Telegram and the Corner Brook *Western Star* need to be subsidized because one of his papers does not have a circulation of 10,000?

I have mentioned Lord Thomson more than once. The Southam chain is one of the great newspaper chains in Canada. They own the Medicine Hat *News*, which has a circulation of 7,452. This newspaper pays less postage per pound than the Calgary *Herald* which the Southams also own. In Saskatchewan there are four daily newspapers, two of which are owned by Thomson and two are owned by the Siftons. Outside of giving the Sifton interests assistance on agricultural newspapers which move more cheaply than do the Sifton dailies in Saskatchewan, we have the two Thomson newspapers, the Moose Jaw *Times-Herald* and the Prince Albert *Herald*, being subsidized through the Post Office Department, but there is no such subsidy for the Regina *Leader Post* or the Saskatoon *Star-Phoenix*. They are owned by the Siftons and have a circulation of more than 10,000.

The Chairman: Order, I must advise the hon. member for York-Humber that the time allotted to him has expired.

Some hon. Members: Carry on.

The Chairman: Does the hon. member wish to continue?

Mr. Cowan: I should like to make a summation.

The Chairman: Does the committee consent to the hon. member continuing his remarks?

Some hon. Members: Agreed.

Mr. Cowan: I want to thank the committee for allowing me to continue. I should like to sum up what I have been saying before and after the mid-day break. I have been making suggestions to the Post Office Department but in no way am I criticizing the Postmaster General. The responsibility is that of the cabinet and the government, and I believe that action should have been taken long ago to eliminate the deficit on second class mail mentioned by the public accounts committee.

In order to save the time of the committee I should like to sum up by pointing out that I have been recommending for some years past that we should eliminate the losses incurred on second class mails coming into Canada across the international border from the originating country. I have explained that in detail in the past and I gave some details again this morning. While this may take time because of the fact that the World Postal Congress meets only once every five years, I would point out that Right Hon. Louis St. Laurent, when prime minister of Canada, imposed a tax on United States publications because he was so incensed over the loss that was accruing to the Canadian government. When he was advised he could not do it because of an international agreement, Mr. St. Laurent told the United States he could not care less where an international agreement was unfair to Canada. I believe that these international agreements with the United States postal service could be negotiated separately instead of having to wait for five years.

To get down to the domestic or local scene, we could make some improvements right away in postal rates that would help to eliminate the $30 million deficit. The government could eliminate the free postal service for weekly newspapers in Canada. In "Canadian Advertising Rates and Data" you will find on page 74 a list of the weeklies owned by Lord Thomson of Fleet, who is being subsidized on his Canadian weekly newspapers while he publishes the London *Sunday Times* and the London *Morning Times* in London, England.

• (2:50 p.m.)

I have suggested that we should raise the postage rate on agricultural publications to the same rate as that charged for the larger dailies. I have suggested a zone rate of postage for all magazines and newspapers so that they will pay according to the distance traversed. I have recommended that the favouritism shown to the small dailies should be eliminated. We should also eliminate the favouritism that is shown to some monthly publications compared with weekly publications, though I have not dealt with that matter today.

In conclusion, Mr. Chairman, I should like to emphasize that I think the Canadian cabinet and the Canadian government should immediately eliminate the free service that is given the weekly press by the Post Office Department. It should raise the rates of postage on agricultural papers. It should impose a zone rate of postage on all publications and bring the small dailies up to the same rate as that charged on the larger ones. I do not like a $30 million deficit in the Post Office Department. I am not criticizing the Postmaster General, but I am certainly directing my remarks to the cabinet as a whole.

Mr. Hales: I have a few brief observations with regard to the Post Office Department, Mr. Chairman. First of all I should like to endorse the remarks of the previous speaker in connection with the concern felt about the drain on the profits of the Post Office Department. I may say I have always had a keen interest in the operations of this department, an interest which springs, I suppose, primarily from the fact that I had an uncle who was a postmaster in the city of Guelph.

I sincerely hope that the time is not far distant when this or some succeeding government will give consideration to putting the post office operations into the hands of a crown-owned corporation. I believe that the whole department needs revitalizing. We have been going along in the same old way and in the same old rut for so may years that it is time to revitalize the department and put it under the charge of a crowm corporation.

I think of the rural mail routes which were laid out in the horse and buggy days and are still in existence. Granted, they have been revised to a certain extent, but there are many things which can be done to introduce a much better perspective with regard to rural postal delivery than is the case today. I think also of certain rural post offices, small, untidy, disgraceful places in which to handle the Queen's mail. I am referring to post offices in the semi-staff classification, I think it is called, where the postmaster is responsible for the upkeep and is paid a salary that does not make it possible for him to keep his office the way it should be kept. There is much to be done in this regard. All the Postmaster General or any other member of the house has to do is to visit the post offices in his own riding to be amazed at the type of accommodation and facilities that exist. Changes are being made, but I believe they are being made too slowly.

I should have made my next point first because I am going to ask the Postmaster General to do me a favour, and after the remarks I have just made I should not expect too many favours. However, I am making these suggestions in a constructive, not in a critical way.

I should like to say something about the philatelic program which is always organized one year in advance. The division of the department that designs the stamps which are going to be offered for sale in the following year has charge of this program. I would ask the Postmaster General to be kind enough to look through the correspondence with his predecessor with respect to the issuance of a stamp next year to commemorate that great doctor, soldier and poet, Colonel John McCrea, who wrote that famous poem, "In Flanders' Fields".

I understand that these stamps are issued on the fiftieth anniversary of the death of such people. Next year will be the fiftieth anniversary of the passing of this great Canadian whose poem has become immortal the world over and is particularly recognized as such on November 11. So I sincerely ask the Postmaster General to be kind enough to give this suggestion his very careful consideration, and I hope that a stamp of this nature will be forthcoming next year.

I also think it is time to take a second look at the savings bank operated by the department. I understand that of the 300,000 accounts in the post office savings bank, 200,000 are classified as dormant and unclaimed. Just imagine, Mr. Chairman, two thirds of these accounts are classified as dormant and unclaimed. The interest payable on these accounts is credited to the accounts each year; yet they lie dormant. I think consideration should be given to handling these accounts in much the same way as the banks handle unclaimed accounts. They write them off after ten years, I believe, and statements are issued and notices sent out accordingly. I think the department should give serious thought to that suggestion.

I also wonder how much post office savings accounts are being used, how useful they are, and whether the time has not come when we should consider discontinuing them altogether. The interest rate paid on deposits in these accounts is very small. The minister will correct me if I am wrong but I think it is 2 per cent. I know it is quite low. I did not have a chance to look up the rate, but I know it is not in keeping with prevailing rates. Therefore I hope some thought will be given to this suggestion.

Another problem I am continually running into, as I am sure other hon. members are, is the shortage of post office boxes. I am referring to the boxes one rents at post offices, each bearing its own number. Practically every post office has a waiting list for these boxes and no additional boxes have been provided. In some cases this might be physically impossible but I am wondering whether the situation can be improved.

After many years the post office tried to come up with the answer by renumbering the boxes, but there are cases where companies may have box number 100 for the simple reason that that number is on the box. No

mail is ever put into it; the mail goes into a bag behind the box. The box is never used but is retained by these companies just for the sake of the number on the box. I understand this has been corrected and I compliment the department on coming up with an answer to this long-standing problem.

I do not wish to take too much of the time of the committee. The question of second class mail has been dealt with. With regard to special delivery letters, I understand that the fee payable by the public for immediate delivery of such letters has been increased considerably recently. However, I am led to believe that the postmen are delivering these special delivery letters on their walks. If this is the case, I do not see anything special about such delivery, and I would say that in such cases the public is not receiving the service for which it is paying. I trust the Postmaster General will make some observations on this matter.

I appreciate the opportunity of having the chance to say a few words about the Post Office Department, and I am sorry to note that it has been losing money over the past few years. I realize that the costs of operation of the Post Office Department have gone up just as the costs of operation for everybody else have gone up, but any business organization must meet these rising costs. If the Post Office Department were operated as a crown corporation I think it would be operated more on business lines than is the case today.

• (3:00 p.m.)

Mr. Olson: Mr. Chairman, I wish to intervene briefly in this debate to talk about rural post offices and some rural mail routes. I would ask the Postmaster General to consider seriously the setting up of rural mail routes in those areas where rural post offices have been closed. I have had the experience in my constituency of having not one but a whole group of rural post offices closed. In most instances the residents who live in the area are 40 to 50 miles from an operating post office, in other words, from a city post office where their mail has been sent since their local post offices were closed.

I am fully aware that rural post offices have been closed because the department was unable to obtain the services of persons qualified to act as postmasters. I am not being critical of the department for closing those post offices where it was impossible to find someone to do the work of carrying on a post office. Several years ago I was a postmaster and I know that there are many duties involved in the operation of a small country post office. The money that is paid to the postmaster is inadequate unless he has something else to which to turn his hand and can be almost part and parcel of some local business.

When the Post Office Department decides to close a number of rural post offices, could it not investigate ways and means of setting up a rural delivery service in the areas formerly served by the closed post offices? In one instance in my constituency this was done but the mail was not delivered to each individual farmer on the rural route. The farmers were grouped. This saved a great deal of mileage for delivery trucks and kept the cost of operating this rural mail delivery route substantially lower than it otherwise would have been. As a matter of fact I have no criticisms where my constituency is concerned. I commend the minister and his department for the response they have shown me when I have made representations to have alternate service provided for areas that had been served by post offices which were closed.

That is all I wish to say. I hope the minister and his officials will give serious consideration, either at the time or slightly before closing any rural post offices, to setting up some kind of alternate delivery service. I say that because, though in all instances where I drew this situation to the attention of the department I received a great deal of co-operation, the service was established only after several weeks or months had elapsed following the closing of the local rural post office. It seems to me that the public relations image of the Post Office Department would be substantially better if it would make the necessary investigations prior to the closing of any post office. Notice is always given some time before a post office is to be closed. It seems to me that after such notice has been given would be the most appropriate time for officials from the regional office to go into the affected area to investigate whether it is feasible to substitute a rural mail delivery service for the service that the rural post office has been giving up till then.

I also wish to endorse the remarks made by the hon. members for Wellington South and York-Humber respecting the deficit on second class mail and mail coming within lower classes. A number of years ago I was on the public accounts committee and the deficit was brought to the attention of the committee. A remedy was included in the committee's recommendations. I have not served on the

committee for the last two years but I can say that that recommendation has been in every committee report published in the last six or seven years. While I do not wish to be quite as critical as the hon. member for York-Humber was, I share his sentiments. If a committee of this house repeatedly makes recommendations about the same matter that has been drawn to its attention, surely it is the responsibility and obligation of the government to respond to these recommendations and to make the necessary corrections.

I do not believe that there is any reason for second class mail to be a burden on the taxpayer. Senders of second class mail have no more right than anybody else to the continuation of a subsidy through rates which fall substantially below the cost of providing the service to handle second class mail. Inasmuch as on several occasions there has been unanimous agreement in a committee of this house with respect to this matter, it is time that the government and the Postmaster General brought in changes designed to correct the situation.

Mr. Côté (Longueuil): Mr. Chairman, since the committee started to talk about second class mail perhaps I could give clarification which might not be considered repetition of some arguments. I know very well, speaking of second class mail and the privileges that some newspapers and magazines enjoy under second class mail classifications, that the time for change is overdue. One hundred years ago when newspapers were the only means of communication it was important to establish second class mailing privileges to help these newspapers. Those conditions do not exist any more.

Before making changes we must know exactly how much every item of mail that is being delivered or put through the post office costs the department. We have made that study and we now know exactly how much everything that goes through the mails costs the department. As a result of that study we have started to draft a change in the legislation. Everybody knows that to bring about changes in second class mail rates the matter will have come before parliament. The subject must be legislated on because it comes under the Post Office Act. As the study has been finished, the recommendations of the department are being looked at by a cabinet committee. Final approval of the legislation will be given by the cabinet. I hope that by the fall we shall have passed that legislation.

Let me tell you though, Mr. Chairman, that it is not easy to go into figures and to be fair to everybody. If there is a department that should be run without a deficit, neither making nor losing money on the revenues it collects it is the Post Office Department. I am sure everybody knows that this is my view. But there are many ways of looking at the matter.

It is perfectly true that we are handling more magazines coming from the United State than the United States is handling from Canada. We handle 77,700,000 pieces of mail coming from the United States into Canada at the international rates approved by the Universal Postal Commission. About 18,600,000 pieces go from Canada to the United States, so there is an imbalance of 59,100,000 pieces.

• (3:10 p.m.)

Mr. Hales: When were those international postal rates set and how often are they revised?

Mr. Côté (Longueuil): They are revised every five years, I think. There was a postal executive convention in Berne last month at which our department proposed a review of these rates. But because our rates are a little lower than rates in the United States and because we have a better service, many magazines printed in the United States are brought into Canada by truck for mailing here. As a result we collect over $5 million in revenue a year. If we were to change our rate for delivering these magazines and increase the rate too significantly, these magazines would be mailed in the United States and we should get nothing out of it.

In drafting the legislation I have tried to envisage all the possibilities with which we could be faced. Hon. members know that I cannot talk now about the contents of that legislation, but I am pretty sure the bill will be before parliament by the fall.

This sums up what I have to say about second class mail. I make these comments because there is no use in everybody talking about this subject when we do not realize what the department is trying to do. I can tell hon. members that at the five-cent rate for letters we still make money. At four cents we still make some money, although we are on the verge of losing. At the second and third class rates we are losing about $30 million a year. When the legislation is brought forward the increase proposed may not look much. But we are trying to clean up the second class mail and remove from it all the magazines and newspapers which should not be going

second class. By doing so we shall be helping customers who should be helped.

Mr. Scott (Victoria (Ont.)): Mr. Chairman, at the beginning of my remarks I should like to congratulate the minister on the general efficiency of his department in Ottawa and I note with pleasure that it does not exhibit the top-heaviness and redundancy which is so often a mark of federal departments.

I feel that in the rush of modern communications we all too easily forget the people employed in the rural post offices and delivery services of this country. There is much more to a postmaster's job than the salary he picks up at the end of the week. In fact, it may accurately be said that few public servants have more intimate contact with those they serve than the people who deliver the mail.

It has been most gratifying to me that the Post Office Department has seen fit to construct several new buildings, with associated facilities, in my area. These buildings were much needed and I think they are greatly appreciated by the people of my riding and by those whose task it is to work in the postal service.

Mindful as I am of the recent upgrading of mail services in Victoria-Haliburton, I cannot but comment upon the general state of rural delivery services and associated facilities across the country. While I am well aware that a great percentage of our people now live in cities I believe, and I think hon. members will agree with me, it is no less important to improve the features of rural mail service than it is those in urban areas. Therefore I respectfully suggest that in any planning undertaken by the department priority be given to these rural services. Only those of us who live in rural Canada really have any idea of the conditions under which our postmasters work, and even then we could not know as well as the postmasters themselves. In the rush of the modernization of services let us not forget that the most challenging opportunity for modernization exists in the rural areas. I am sure the Postmaster General is aware of these things and will take steps to remedy any problems which might exist in this area of his responsibilities.

In our centennial year I and many other Canadians have been impressed by the series of commemorative stamps issued by the Post Office Department to honour certain events. I believe that our postage stamps, designed as they are with artistry and imagination, help to give Canadians a genuine sense of achievement in the many fields with which these stamps deal. I would not suggest for a moment that we should attempt to follow the lead of some countries and issue postage stamps just for the sake of extra revenue or postal notoriety. But I do think, as do many of my constituents and, I am sure, many Canadians, that we should widen, within reasonable limits, the issue of commemorative stamps as a useful record of Canadian accomplishments.

As an example I offer the great work being done by our service clubs right across this country. The Postmaster General, if my understanding is correct, has recently received a letter from the national president of the Association of Kinsmen's Clubs and I was recently privileged to ask a question in the house regarding the issuance of a stamp in honour of the fiftieth anniversary of that association. It seems to me that a commemorative stamp of this kind would increase our understanding and appreciation of groups similar to the Kinsmen, and I think such a stamp issue would in no way threaten to make commemorations of this sort too frequent.

I have used Kinsmen's clubs as an example because between now and 1970 there is ample time in which to consider this suggestion before the Kinsmen celebrate their fiftieth anniversary. However, I would not limit commemorative issues to the Kinsmen or other service clubs. I think there are other areas of life in Canada in which national organizations have made lasting contributions to our country and that these too might be considered. As I say, I do not believe we should put out too many special stamp issues but I do think we could increase our present output without impairing the image we wish to create.

[*Translation*]

Mr. Clermont: Mr. Chairman, during consideration of the estimates of the Post Office Department, I would like to make a few comments on the postal service in Canada.

The hon. member for Wellington South (Mr. Hales) mentioned that it is time for the postal service to be operated by a crown corporation; I wonder if he means that such a service would be more profitable or would render greater services to the people.

I hear from time to time in this house criticisms directed against certain crown corporations, either on account of their services to the population or the estimates which this house is called upon to vote for them. I am pleased to support the Postmaster General

(Mr. Côté) and mention—because I had some experience in that department—that Canada has one of the best postal services in the world and that it is well served by qualified public servants within the department.

Since there is always room for improvement in every large organization, Mr. Chairman, I would like to make two or three suggestions in that respect.

The first deals with rural mail delivery, which should be made every day, if possible. It will undoubtedly be said that, in some cases, this is very difficult, in view of the very high cost and the geographic difficulties but when, even today some post office patrons living within 50 or 60 miles from the capital of Canada get their mail only three or four times a week, I think there is room for improvement.

I know, Mr. Chairman, that according to postal regulations, there must be at least three patrons per mile before the rural mail service can be given every day, except Sunday. I think that this requirement should be changed in 1967 to accommodate the thousands of Canadians who get their mail only two or three times a week.

I would like to draw the attention of the minister to another aspect of mail delivery by letter carriers, that of daily service in cities.

To get mail delivery by letter carriers in cities, certain rules or criteria must be met, among others 2,000 points of calls. I am happy to commend the government for having changed that policy in 1965 because, before the fall of 1965, to be able to get delivery by letter carrier in cities, there had to be 2,500 points of call. Since November 1965, that rule is changed and any city having at least 2,000 points of call can now have this service. However, certain rules should, in my opinion, be changed so that other cities can take advantage of such a service and especially, the rule under which there must be an average distance of 40 yards between patrons. Because of the present trend in the construction of family dwellings, I think that rule should be changed.

Another suggestion I should like to make to the Postmaster General concerns the pay or pay revision for the rural mail carrier.

As things now stand under the Post Office Act, clause 33, paragraph 2 (c), sub-paragraph (i), the carrier must apply himself for revision after two years.

Now, Mr. Chairman, I know that in several cases, the carrier is reluctant to make an application; he is even somewhat apprehensive. He wonders: If I make an application, will my contract be renewed? To my mind, he should not be apprehensive because when the request is made, I know from experience that his case is considered and if an increase is deserved, it is awarded.

Nevertheless, and due to the fact that the speech from the throne forecasts a revision of the Post Office Act during the present session, I wonder if it would not be possible, instead of leaving clause 33 as is and require the carrier to make an application, to proceed as in other areas of the administration and make this review automatically since I am sure that the Post Office Department and the government do not expect these contractors to operate an unprofitable service.

• (3:20 p.m.)

[*English*]

Mr. Macquarrie: Mr. Chairman, I speak with a heavier sense of responsibility than usual, and indeed with some trepidation because according to one of the leading columnists in Canada I represent 1.05 per cent of the Conservative caucus. I endeavoured to tell my family at breakfast this morning that I thought I deserved a great deal more respect having had my status recognized, though not heaped upon me.

I join with those who have extended good wishes to the minister. My dealings with him have all been very pleasurable. My requests have been few and perhaps this is the reason. My more difficult problems arose with some of his predecessors, and in some cases I was not totally satisfied with the results. We in Prince Edward Island watched the diminution of the regional structure so far as the Atlantic district was concerned and the administrative apparatus located at Charlottetown. This we did not welcome. There were occasions when some local offices were closed with resultant discontent and disquiet among former patrons. Of course reorganization is necessary in these things and it is not easy to convince the patrons that reorganization is progress.

One of my greatest quarrels with the postal department concerned the rural couriers. I remember so well a man who, as a result of tender, had been awarded a contract in the princely sum of $1,000. But because the route was shortened, with some change of highways, his contract was reduced to $820. This man had faithfully served the patrons on his route for a quarter of a century, and it proved impossible to convince the then postmaster general that though it was lawful to

revoke the original contract it was not mandatory to do so.

There is great disparity concerning rural couriers and also a good deal of injustice. It is easy to say that this is because low tenders are submitted, but I believe there are certain conditions under which the government of Canada should not enter into a contract with anyone, no matter how willing, if the rate is too low. This is an injustice which the government should not perpetrate upon anyone.

I agree with the hon. gentleman who has just spoken that a better system could be devised for revising upward the amounts paid to rural couriers. I find that many couriers are not aware of the procedure which they must follow. As I understand the system, they can receive no increase within the first two years of their contract. They themselves must make application for an increase. There is some confusion among them about this, and if any of the intelligent people of Prince Edward Island are confused about it then I suggest there is some administrative flaw.

I second what the hon. member for Wellington South put forward in reference to some of the small post offices. Many of the people who man these little offices do so for very tiny sums of money. Because of the nature of their work these people are public servants who often go far beyond the call of duty. I am sure many of them are insufficiently paid.

My last two suggestions will not be helpful to the hon. member for York-Humber who wants to overcome the deficit in this department. However, I think he made an interesting and strong case, and I was quite impressed with what the chairman of the public accounts committee also observed. I have taken careful note of what the minister himself said by way of explanation.

We have many experts in this party and our chief spokesman on these estimates, the hon. member for Lampton-Kent, gave a most excellent dissertation. Others have spoken on details with which they are very familiar.

I have just one more subject with which to deal, and as a former philatelist it is one that is close to my heart. It is the question of stamp issues. The postage stamp is a tremendously interesting symbol. I often think that it symbolizes the ability of man, if he wants to, to internationalize his relations. We can buy a stamp in Ottawa, affix it to a letter addressed to somewhere in the southern tip of Africa, and before it gets there it may be handled by public servants of 50 different countries. I believe the universal postal system which has been in existence for many years demonstrates that the people and nations of the world, in specialized fields of endeavour, can make important, valuable and workable international arrangements. If only we could civilize ourselves sufficiently to make arrangements of this kind in the great cause of war, peace and decency of living, what a magnificent world we would be living in.

• (3:30 p.m.)

I agree with the hon. member for Victoria (Ont.), that we could be much more imaginative in respect of the issuance of commemorative stamps. I am quite frank in saying I was shocked that no stamp commemorating Sir John A. Macdonald was issued on the one hundred and fiftieth anniversary of his birth a couple of years ago. Since that was not done, surely in the centennial year of our confederation some way could have been found to put the fathers of confederation before us on our stamps. I think we have been remiss for too long in honouring the great men who have helped make this country what it is. We should have the former prime ministers on our stamps much more frequently than we do now. In the United States the former presidents are constantly appearing on their stamps in different designs from time to time I believe it would be a progressive step if we were to do this in respect of our former prime ministers.

I believe that this year we have missed a good many opportunities. We have a centennial stamp. We have an attractive Expo stamp. The stamp commemorating the fiftieth anniversary of the franchise for women is a splendid thing. We have one commemorating such things as the fiftieth anniversary of the Canadian Press. This might be a good thing. The royal visit, of course, the pan-American games, and there are important things such as the centennial of Toronto as the capital of the province of Ontario. We have our five cent and three cent Christmas stamps. These are beautiful stamps and I think add a lot to the festive spirit. I hope we will continue to issue these. There are, however, many people besides the fathers of confederation and the former prime ministers. There are those great giants, people like Joseph Howe, for instance, men who have made a great contribution to society. These are men who, indeed, have been recognized internationally. My colleague has mentioned the late Colonel McCrea. There are many people such as these who are

known in other parts of the world but who have not been honoured by a Canadian stamp.

The minister probably knows there is another stamp which I should like to see him issue—one commemorating Robert Burns. When I was in the Soviet union last fall with the whip of our party and the hon. member for Saint John-Albert, and other members of the house I was given a very attractive souvenir. It was a Soviet union stamp honouring Robert Burns. It is the second one they have issued. Here in Canada no one need be told what the Scots have done for Canada or what Burns has done for mankind, but we have never yet honoured that great champion of human freedom. I hope the minister, recalling that his French ancestors and my Scottish ancestors used to join together not infrequently in actions against the English which were not altogether friendly, will adopt my suggestion that we join with the Soviet union and bring out a stamp for Robert Burns. I suggest this for January 25 next year.

There are no more details which I feel I need press on the committee considering the fact that I have always in my mind the idea that I want to spend July and August in the province of Prince Edward Island and not in the city of Ottawa. Therefore I will not be making long speeches.

Mr. Herridge: Mr. Chairman, I have the same wish as the hon. member for Queens. I am looking forward to spending July and August in my constituency where I am required. First of all, I must say how much I have appreciated the attention the minister has given to any matters I have referred to him and for his courtesy and willingness in having these matters thoroughly investigated. I have appreciated receiving his well-informed explanations in reply to the letters I have written to him. I must say that this is quite a contrast to the way in which my inquiries were handled by the very good postmaster general we had a few years ago. In that case every letter I received was marked "personal and confidential". I shall never forget having written to inquire what was the practice in respect of the raising of the national flag on our post offices and receiving a reply marked "personal and confidential". It was very difficult at times to know what one could do with those letters.

The present minister gives much longer explanations and very often provides a copy to be sent to the person who has made the inquiry. This is appreciated very much indeed.

I have always been interested in the post office because I have known many interesting and unique postmasters. There was one in our district who used to lock up his post office at five o'clock in the afternoon and the person who picked up the mail came along about six or six-thirty. When he left the post office the postmaster hung the bags on the door, having said "Pick these up when you come along". If I remember correctly, the man who discovered this transgression of the postal regulations was the present deputy postmaster general. I am usually informed by the old-timers when important people come into the district. I was told that our deputy postmaster general had driven along the road and discovered these bags hanging on the post office door. This had been the habit for some 25 years. Nobody complained, because the people are so honest in the district I have the honour to represent.

I should also like to express my appreciation to the senior officials in Ottawa, the regional officials in British Columbia, the local postmasters and the employees in the department, who, on the whole, perform so excellently in providing the postal service we have today of which I think we should be proud. I have been in the United States and have made a few inquiries about rural mail deliveries, small post offices and things of that sort. When one considers the size of our country and the problems the department is confronted with, I think we should be proud of our postal service in this country. I have no hesitation in saying that.

When the minister replies to members I should like him to inform us what action has been taken to date to implement the recommendations contained in the 1966 report with regard to working conditions in the post offices.

Mr. Côté (Longueuil): That was contained in my statement this morning.

Mr. Herridge: I am very sorry. I shall read it as it appears in the record. As a matter of fact, I was called to the telephone and must have missed it at that time. I always have a good excuse, you see. I do hope, however, that the minister will make certain that all our postal employees, whether employed by the post office or by contractors, receive adequate remuneration for the services they are undertaking.

• (3:40 p.m.)

I have knowledge of some of the smaller post offices in my constituency. I do think that consideration should be given to the work of many of these people in small post offices because they are very often required to be there 18 hours a day. If people drive 15 miles to get their mail and arrive at eleven o'clock in the evening their mail should be available to them. I am sure other members from small areas realize these circumstances, and I do hope these people receive adequate remuneration.

I have another suggestion to make—I am in a rather fertile mood this afternoon. I suggest that in the larger post offices where there are a number of employees the postmaster should do something more than is being done at the present time to inform the employees about administration policies and procedures. If this were done I think the grounds for grievances which in most part relate to misunderstanding would be removed. This suggestion has been made to me by employees of the post office. They have said to me they would not have done such and so, had they realized they were not required to do certain things. This policy of informing employees should be stressed in the larger post offices.

I am in support of what other members have said about the necessity of reviewing rural mail contracts to make sure these contractors are receiving adequate remuneration. I know of a situation at the present time where a man travels a 20 mile circuit on a rural mail route and he receives less than one of these boys who comes down from debates to pick up our notes. This man has to drive over rough mountain roads. I do not know whether others are receiving more for this work, but I think in many cases these people who have to perform a service require an adjustment in their remuneration. Contracts should be reviewed from time to time, particularly those in rural areas where circumstances exist which do not come to the attention of the senior officials. I refer to local conditions such as roads, weather and things of that sort, particularly during the winter months.

I have another suggestion, I am simply bursting with them, Mr. Chairman. Municipalities of any consequence at all should be informed of the department's policy regarding letter carrier service in relation to population, procedure and things of that sort. I have received letters from a number of municipalities asking whether they are entitled to letter carrier service. Municipalities approaching the population mark which entitles them to these services should be advised of the department's policies and procedures.

During the past year I have received requests for the building of a new post office at Montrose, which is a growing community on the outskirts of Trail. I wrote the minister and he said he would have the matter investigated. I believe this area has every right to hope and expect they will get a new post office.

In our district, as a result of Columbia river treaty projects, we have observed a great deal of relocation of roads, and many adjustments have to be made because certain communities have grown while the population of others has decreased. I appreciate the minister's replies to the several letters I have written him about the closing of certain post offices. It is my belief that when people understand the circumstances behind certain procedures they accept the situation in a much better mood.

I have also received complaints about the closing of post offices at Howser, Rosebery and other points. Further, I have received letters regarding the rearrangement of postal services in the Trail-Nelson area which resulted I think from a rearrangement of postal services in the whole of British Columbia. I have received a lot of correspondence in this regard and many people are quite concerned about these new arrangements. This is the sort of thing that could be overcome by consultation among the senior officials of the post office. These people are acquainted with the broader aspects of the service, rather than the minor local situations. I believe these people in the small municipalities, villages and districts should be informed about what the government proposes in respect of mail services.

Recently I received an unusual complaint regarding the rental of locked boxes in post offices. I brought this situation to the attention of the minister and he has sent me a complete reply. This is certainly something which should be gone into. This particular gentleman wrote me in part as follows:

> I have an example here in Castlegar and I am sure I am not alone. It deals with a transient labourer employed with B.C. Hydro on our dam project that was here but a short time, rented a locked box, created a certain amount of debts around town and then one night disappeared.

Of course, this was not a Kootenay man. The letter then continues:

> It was six months before I could find out that he had left the country. The only reason I did find this out was because his post office box rent came due and my six months of invoicing his statements were returned to me.

I have received one or two other similar complaints. I know this presents a problem but with construction projects going on all over the country we are bound to have that small percentage of fraudulent individuals who exist in Canadian society, and who will take advantage of situations like this. I do not know what can be done to correct this situation but I have heard several businessmen make similar complaints regarding bills being sent to post office boxes and then being returned after six months when the box rent fell due. In the meantime the individual has gone to fresher fields. Something should be done to protect business interests.

My colleague the hon. member for Winnipeg North Centre suggests that this man may have gone to Kootenay East. Let me say that the residents of Kootenay East are equal to those of Kootenay West in this respect.

While I recognize the work being done by the Post Office Department at certain district fairs,—and I understand they have displays at some of these district fairs in British Columbia covering post office procedures, regulations and so on,—I believe a great deal of the misunderstanding which has resulted in complaints from staff and the public about which I have told the minister could be removed if the public relations of the department were improved. Let me hasten to add that I am not suggesting the post office does not have good public relations at this time, for a federal department dealing with people who are a long way from the source of power resting with the minister, but I do believe that when the general policy in a district is to be changed, if the people are given the reason for the changes a great deal of misunderstanding would be avoided. I have made similar suggestions about other departments because I am a firm believer in anticipating the administration of any program. If some of the senior officials at times took the opportunity of addressing chambers of commerce or farmers organizations about administration policy, I am sure these people would appreciate it and give their full co-operation. In this way I suggest many misunderstandings would be removed.

[Mr. Herridge.]

• (3:50 p.m.)

Let me say in conclusion that I still continue to receive complaints, from people who are interested in collecting stamps as a hobby, about the design and colour of some Canadian stamps. I might add that I have received other letters from people who are very pleased with some issues that have been produced by the Post Office Department for centennial year. This is partly caused by these people receiving stamps from other countries. For instance, if someone sends you a stamp from Indonesia, it is very attractive compared with some of the stamps we issue in Canada. Therefore one can well understand these people asking: Why cannot we do this in Canada? I suggest that this matter should receive further consideration. When the minister speaks later I should like him to tell the house what companies undertake this work for the post office at the present time, and who the persons are that advise the minister with respect to the design and printing of stamps that are issued.

I conclude my very brief remarks, Mr. Chairman, by once again saying that I have thoroughly enjoyed my association with the minister and shall continue to enjoy it with him and his officials. I wish the minister good luck in all he undertakes in the administration of his department.

Mr. Keays: Mr. Chairman, it is not very often that we hear the gracious expressions which are being extended to the minister and his staff in the consideration by the committee of the estimates of the Post Office Department. I hope that the centennial spirit is beginning to reign in this house and across the country, and I trust it will continue until our consideration of the estimates is concluded because, as the last speaker said, all members are required in their ridings to participate in centennial celebrations.

The main reason for my speaking on these estimates is to renew a plea which I put forward when the estimates of the department were last before the committee. I should like to know whether there is any real co-ordination, co-operation or dialogue among the various departments of government, and in this case between the Department of Transport and the Department of the Postmaster General.

When I last spoke on these estimates I said I thought it was superfluous and wasteful to duplicate a mail service across certain parts of the country. I am still of that opinion. I

would like to know from the minister whether he has investigated the matter I raised at that time, in order to assure himself that there has been no waste of money in this connection. We hear many complaints from across the country in this regard and I think it is high time we cut out some of these useless expenditures, bearing in mind that it is the Canadian public who always pays the bill. In this case, Mr. Chairman, I refer to the mail service extending from what the minister today termed the key point of mail distribution in Canada, namely Montreal, to points east in the province of Quebec. I admit that up to June 1 of this year it may not have been possible for only the C.N.R. to handle mail adequately on long distance routes.

I hope that the contract which has now been given for mail distribution by trucks or tractor trailers will not be of long duration. I say this because until I am proven wrong I shall believe that we have duplicated the service or have in fact taken revenue from Canadian National Railways; and every member of this house knows that each year that railway is faced with a huge deficit and would welcome any kind of income. Rather than giving this service to the C.N.R., we have taken it from them and it is to be provided by tractor trailers or trucks. I should like this matter to be investigated further in order to determine whether the C.N.R. could not provide as adequate a service as that contemplated by the minister under the new program.

I wish, however, at this time to express to the minister my thanks for keeping me abreast of all the changes contemplated, and which have come into being in the region to which I refer. However, I still believe we should further investigate the latest move contemplated by the minister's department.

Only a week or so ago the minister informed me that the mail service in my region would be improved by roughly three hours. If I have properly investigated this new service, I cannot understand how we are going to benefit in any way whatsoever from the service the minister mentioned. He has said there will be a tractor trailer service from Montreal to Levis and from Levis to Campbellton, by rail. There may be a new service being undertaken by the C.N.R. in moving mail by railiner. However, Mr. Chairman, I do not know whether the contemplated service will be adequate. The tractor trailer would have to leave Montreal by 11:30 a.m. or 12 noon in order to arrive at Levis and leave by 1530.

The time required to travel from Levis to Campbellton is not as stated by the minister. I believe the new schedule of the C.N.R. tells us that the service will arrive at Campbellton at roughly 2345. Admittedly, this service will bring mail into the furthest points of the peninsula at approximately 9 p.m. the following day. However, we must bear in mind that most of the mail is deposited in the mail boxes of Montreal after 11 a.m. and most of the newspapers are afternoon or evening editions. Under the program envisaged by the minister we will miss the most essential part of the day and will receive our mail one day later than we have been receiving it. I do not think this was intended by the minister or his department and I would like some explanation about it. I would like to be satisfied that the service contemplated by the minister will be better than that we have been receiving up to now.

I come back to my remarks about our taking revenue away from the C.N.R.

Mr. Côté (Longueuil): Mr. Chairman, perhaps I may be allowed to give an explanation at this point.

• (4:00 p.m.)

[*Translation*]

The better part of the mail is sorted out during the night in a post office. The mail is most voluminous around five o'clock in the afternoon when offices close and secretaries mail their correspondence at the end of their day's work.

So, the better part of the mail is picked up in the evening and sorted out during the night. From the post office, the mail is transferred to a truck in the morning. Otherwise, if it is held up until 8:30 p.m. as used to be done, there is some delay. It now leaves at 11:30 a.m., that is the mail which otherwise would leave some time in the evening is loaded on the truck in the morning.

Mr. Keays: May I give an example? Mail that is dropped on Wednesday night in Montreal, is sorted out during the evening and leaves Montreal on Thursday morning, around 11:30 a.m., and reaches Gaspé on Friday morning at nine o'clock.

I believe that, by so doing, more time elapses between mailing time and delivery. It seems that, in the past, mail that was dropped at 3:30 or 4 p.m., left on the Ocean Limited around 8:30 p.m.—I am speaking of a few

years ago—and the following evening we got it at Gaspé. It might have been 10 or 11 p.m., but at least we had our mail.

This way, I feel delivery is held up longer. At any rate, I urge the minister to look into the matter more closely to see if the service might not be improved, or left as it is. I feel it certainly should be improved.

[*English*]

The other subject to which I wish to refer, Mr. Chairman, is commemorative stamps. This subject has been raised by the hon. member for Queens, and I know his power of persuasion will convince the minister. Even if it is now a little late, there is still time to consider the issuing of commemorative stamps for Sir John A. Macdonald and the fathers of confederation.

[*Translation*]

Mr. Mongrain: Mr. Chairman, in this debate on the estimates of the Post Office Department, I should like to speak in communion with this great concert of goodwill that we have noticed from the start of the debate and make my remarks very short and as agreeable to the minister as I can.

Nevertheless, I will take the liberty of digressing very shortly to congratulate him for winning his election in the Hull riding. I may do this for he and I are residents of the Hull riding.

But, that is not the essential point of my remarks. I do not even want to criticize so as not to depart from that concert of praise directed to him since the beginning. There are things that were discussed, such as the ability of the Post Office Department to meet expenses or the advisability perhaps of turning it over to a crown corporation.

I admit, Mr. Chairman, that I lack the knowledge that would allow me to voice valid opinions in this field, and I leave it to the minister, his consultants and his colleagues, to decide in these matters.

Perhaps I should make a remark concerning a situation which has been bothering me for years. It seems to me that the system requiring the Post Office Department to let out contracts to the lowest bidder is not desirable in many cases, especially when it is obvious, from the experience and the opinion of people in the know, that the price quoted by the lowest bidder is obviously below cost price, that he cannot possibly make it, and in such circumstances a citizen and also the department are liable to get into trouble.

I just mention it, because I know that the minister is better informed than myself on that. It might be possible to find a middle term providing certain criteria, certain schedules, under which a contract would not be given out, so that the department would not be subject to difficulties and individuals having no experience, to ruin for the rest of their life in some cases.

Mr. Chairman, during the debate certain remarks made by the hon. member for Queens (Mr. MacLean) on the value of postage stamps from the standpoint of culture as well as information on what is going on in the world impressed me and reminded me of something on which I would like to speak briefly to the house. That will not be news for the minister, because he is already aware of that—he was visited what I will talk about —but I wish to refresh his memory and tell all my colleagues about it.

There is, in Trois-Rivières, something called the philatelic galleries. That might not seem much at first sight, but I think it is a unique organization not only in this country but possibly in the world.

A citizen of Trois-Rivières, a stamp collector has been trying for fifteen years, I think, to reconstitute summarily, briefly, if you wish, the main periods in the history of the countries of the world, using stamps which he frames—in a very artistic manner, with explanations, doing the lettering and the framing himself—and everything has a very professional look.

It is a set-up on which he has been working for 10 to 15 years, I think. His name is James Lévesque, and in case the minister is interested, he is a former Liberal organizer if that can add to his merit. Mr. Lévesque, in all this time has spent all he could afford from his small personal income to finance this type of gallery and has also spent thousands of hours to achieve this. Once again, I feel it is unique in the world and well worth a visit by anyone interested in stamps.

I said the minister was aware of it because he has had the opportunity of visiting it recently. I should like to remind him that it might be proper for the government to consider this seriously, particularly in view of the act that the man who has built these stamp galleries has often said that he wants to give them—freely, if I understand his intentions correctly—either to his city or to his country. Possibly, these philatelic treasures could be brought to Ottawa and set up in appropriate quarters; thus, the government

would enable this stamp collector to work under better conditions or even let him benefit from philatelic treasures which must have been lying in the files of the Post Office Department for a number of years, and which are not available to the public who would visit them.

• (4:10 p.m.)

I would also ask the minister to make every possible effort to settle a particular point on this matter. I am sure it would not require considerable effort since he is so highly considered by every member as I have noted this afternoon and I am sure there is no less goodwill toward him within the cabinet.

The minister must have noted that in these philatelic galleries, there were autographs, letters sent by several chiefs of state to Mr. James Lévesque—there are also various national flags sent by various countries but, unfortunately, the Canadian flag is not among them. I must say too, that there is a letter from the right hon. Leader of the Opposition (Mr. Diefenbaker) and his picture. But there is no Canadian flag and there is no recognition by the leader of the Canadian government.

In my opinion, it would be a handsome gesture on the part of the minister to obtain from the Prime Minister (Mr. Pearson) a letter underlining the merit of that display—unique in the world—accompanied by a beautiful Canadian flag which would set off the humble premises housing those philatelic galleries.

I must insist on the most essential point, in my opinion, and suggest that the minister entrust one of his officials with the care of looking without delay into the possibility of acquiring those philatelic galleries, transferring them to Ottawa and perhaps offering their originator to pursue his work here with improved facilities, in short, of displaying in larger premises the masterpieces he has already created, so that the many tourists from all over the world interested in philately may come to Ottawa to admire them.

I would have hoped to submit that request to the municipal authorities of Trois-Rivières, but unfortunately they probably could not afford to provide suitable premises and the means to develop those philatelic galleries as they deserve. It is such a large scale project that I feel it belongs to the national capital and, in particular, to the Post Office Department to assume that responsibility, because those galleries would attract tourists from all over the world. One of the reasons which prompt me to insist that the minister act without delay, is that, as the minister found out by himself, those galleries are now housed in premises that are not fire-proof.

It would be most unfortunate if a fire were to destroy the result of fifteen or twenty years' work which includes some irreplaceable works of art. Even if nothing more could be done until now, for all this has been done through the good will of the founder of the philatelic galleries, I know I need not insist any longer in order to convince the minister of the urgent need for more concrete measures so as to ensure the preservation of these things for the benefit of all Canadians and of the stamp collectors from all over the world who will come to Canada to see something different.

[*English*]

Mr. Howe (Wellington-Huron): Mr. Chairman, I along with the others who have spoken, welcome the opportunity to say a few words on the estimates of the Postmaster General. Some of us have been here long enough to remember the days when a postmaster general came into the house with his estimates showing a surplus from the operations of his department. I agree with the remarks of the hon. member for Wellington South about the importance of re-establishing this department as a businesslike proposition.

In these days of automation and changes in technology, any operation that is unprofitable in the field of private enterprise is eliminated unless it is necessary to the carrying out of the entire operations of that concern. Therefore I feel that this practice should be followed in the Post Office Department.

I am sure we all welcome the announcement the postmaster made this afternoon about legislation that is ready to be brought in some time in the fall to alleviate this situation. I can tell him that the praise he has received today will be as nothing to that he will receive if, in a year or two, he can turn this deficit of $30 million into a surplus. If he does that he will be given the credit of being one of the greatest postmasters general this country has ever had.

When discussing estimates it is hard not to be repetitive, but the second item I want to discuss also concerns rural mail carriers. I sometimes think that the legislation which deals with this aspect of the operations of the post office is somewhat similar to the legislation the minister is proposing to change—it is in the horse and buggy era. This legislation

was brought in at a time when so many of the carriers were people who operated farms, when the extra horse required did not take too much feed and the upkeep of the buggy was not too great. These farmers got into the habit of tendering for mail contracts at such a low figure that they were entirely unprofitable.

We who drive automobiles today are told many times by the insurance companies that under normal circumstances we cannot operate an automobile for less than ten cents a mile. We who live in rural areas know that in many cases rural mail carriers do not operate their vehicles under normal circumstances, but under rather difficult circumstances. These people are to be commended for the service they have provided through the years, and I feel that at the present time their pay is quite inadequate for the type of service they provide.

Granted, Mr. Chairman, theirs is not a full time job. But if a workman is worthy of his hire, he is worthy of being paid commensurately with people doing other jobs of a similar nature, such as driving trucks for private companies which have to make a profit. There may be only a few dollars involved here, but their hourly wage cannot be compared with the hourly wage they would make working in a private enterprise operation or in a factory.

Therefore, Mr. Chairman, I sincerely hope that before too long the legislation governing rural mail carriers will be revised so that the operations of these people will be looked after in a realistic way. These people must maintain a good vehicle, that starts every morning of every day. As I said before, Mr. Chairman, they do have to operate under very difficult circumstances.

I should like to say here that I appreciate the co-operation I have received from the transportation section of the Post Office Department, which has always been of the best. Whenever I have asked for a reassessment of mail routes in a particular area and have brought the matter before them, they have co-operated immediately and in most cases provided assistance to the particular mail carrier concerned, so as to bring him up to the level of those in his own area. I sincerely hope that the Postmaster General will consider all representations made here on behalf of the rural mail carriers and revise this legislation, so that it can be brought up to date and in keeping with the times.

Mr. Schreyer: Mr. Chairman, I should like to make some brief remarks which follow up what was said earlier this afternoon by the hon. member for Wellington South and the hon. member for Medicine Hat. I could not help being interested in what was said by the hon. member for Wellington South, who said that the reason for his interest in the Department of the Postmaster General was that his uncle held a position with the post office, I think as a rural postmaster, for a number of years.

[Mr. Howe (Wellington-Huron).]

In that respect my interest in this department is similar to that of the hon. member for Wellington South. My grandfather was postmaster in a rural post office for a period of 42 years, and I recall the conditions that existed in those days. I recall with amusement that in the early years of this century, whenever there was a change in government there was a change in postmasters in most of the rural areas. In any event, in 1941 at the age of 90, I believe, he terminated his work with the post office, and to his dying day he thought this was because the preceding year for the first time in half a century he had voted other than Liberal. Actually I think it was due to his own misconception of the situation; he was one of those who always felt that he was never too old to carry on.

I had wanted to make some extended remarks in reference to second class mail, but then I heard the Postmaster General rise in his place and reply to the repesentations made by the hon. member for York-Humber. However, there are two remaining points I should like to put to the Postmaster General, and perhaps he will be able to make some response to them later this afternoon.

The first point has to do with the policy of the department with respect to rural route delivery service. One's first impression is that because of changing methods and modes of transportation and the improved grid of roads throughout rural Canada, there is less need than hitherto for rural route mail delivery. I am not sure that this is a correct inference to draw from the changing scene, Mr. Chairman. I believe the Post Office Department is continuing to extend the number of rural route systems throughout the country. Certainly in my area of Manitoba post offices show no reluctance to extend rural route service to areas where the people ask for it, and where the requirements are met. In this regard I would ask the minister what the policy of the department is. Is it one of positive encouragement for the extension of rural service, or is the response one that could be characterized as slight or moderate to any request for rural route service? Or is it one of

complete neutrality? It would be useful to know. I see no good reason for keeping this policy, if there is one, from us.

• (4:20 p.m.)

The other point has to do with the matter of third class mail, with the householder distribution type of service. I know that in larger towns where there is a professional full time postal service this class of mail, the third class, householder distribution type, is handled properly. I do not think anyone from urban centres is complaining about the service. In rural areas, however, in areas where post offices are situated in villages and hamlets or where there is a small post office at a rural intersection, there is the tendency too often for the local postmaster to treat this mail ever so casually. Perhaps one can hardly blame him for his attitude. Such a postmaster makes no effort to distribute the third class mail in such a way that every subscriber in the area receives a copy of it. The pamphlets or whatever they are, are stacked on the counter and the idea is: Help yourself. These post offices are in small shops usually.

I know that third class mail sometimes is described as junk mail, and perhaps a growing number of people are becoming annoyed because of the frequency with which they are bombarded by it. However, the distributors of it pay rates for its distribution, and they have a right to expect that their mail will be properly distributed through our postal service.

I do not know whether the minister has received a great or significant number of complaints, but what has been happening has been brought to my attention and I have personally witnessed what I just spoke about. On more than one occasion. I have seen pamphlets stacked on counters. Now that the minister has been made aware of this matter perhaps he could arrange for the circulation of a memorandum of instruction to postmasters in such rural post offices where this practice tends to be fairly common.

Perhaps to make postmasters in these kinds of rural post offices more aware of their responsibilities with respect to third class mail, it will be necessary to increase the annual stipend they receive for their duties as postmasters. It is my impression that the adjustments in payments to rural postmasters have been small. Many of them feel that the money they receive for their work hardly compensates them for the effort of doing the work, and that it is hardly worth their while to perform it.

I realize that in the running of this department the minister has myriads of problems to deal with, most of them being more of an administrative than of a policy nature and that the two matters which I have put to him may not amount to much. They may be relatively unimportant. Nevertheless they are long standing problems and I should like to know if the minister has any comment to make on them?

Mr. Churchill: Mr. Chairman, it is rather unusual for me to discuss the estimates of the Postmaster General because there have always been competent people on this side of the house who have made an intensive study of the Post Office Department. Generally I have left it to them to carry on the discussion.

I am rising today briefly to say that after listening to all the complimentary remarks that were made to the Postmaster General this morning and this afternoon I warn him not to be carried away by the compliments and not to take advantage of the House of Commons just because a few here have praised his work. Perhaps his work should be praised; I do not know. I have not looked into it closely enough. Yet one year ago we went after this same minister for the attempts which were made mysteriously within his department to remove the word "Royal" from "Royal Mail" and for the attempts to shift the coat of arms from the mail trucks.

So, with that word of caution I wish to say this to the Postmaster General: Having heard today about how well he has treated various members in the House of Commons and because I have never had to put any problems before him I shall now transmit to him a letter which has to do with a postman who is in my area and who transmitted it to me. I shall hand it to the minister without going into detail. I will not take up the time of the committee. We shall see what happens. We shall see whether all these complimentary remarks that I have heard really apply to the Postmaster General.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I am pleased to say a few words and, at the same time, to thank the minister like others speakers have done and to express our appreciation for the wonderful job he does.

Frankly, I think that the hon. minister is sincere and that he does his work well because, in my riding, I have not received any complaints and people seem satisfied with the

mail service in the rural ridings. In my riding, we do not even have small carriers.

I should like to take this opportunity to ask the hon. minister whether it would be possible for the town of Mégantic, where I live, to have the mail delivered by carrier. Last year, I asked him for mailmen and even the public organizations of that municipality have expressed the desire to have that service. In fact, I have forwarded to the minister the request which was sent to me in that respect. But since mail boxes were missing on a few doors, the minister has not allowed us yet to have mail carrier service.

I should like to ask the minister not to be too inflexible about regulations. I know that there are regulations but I think that the few mail boxes missing on doors should be overlooked and that service should be granted.

In the municipality where I live, there is a railway, and the main street is used as the switching yard. Trains are always blocking the street. And when businessmen send somebody to get the mail by car, the messenger has to wait half an hour before he is able to reach the post office and another half hour when he comes back.

A lot of time is lost in this way and the taxpayers of the municipality where I live must pay additional taxes. But if the mail were distributed by postmen, it would be of great help to our people and the minister would be even more popular.

Now, as for public buildings erected in designated areas in the last few years, the Post Office Department, in co-operation with the Department of Public Works, put up several small buildings serving parishes.

I thank the minister. This is very much appreciated in parishes where the Post Office Department and the Department of Public Works put up those small buildings.

The first thing this proves is that the federal government does exist. Several municipalities, in the past, had no post office. Now, this also proves that, without a post office, there is almost nothing, it is like a desert. With a small federal post office built in the parish, the situation is considerably improved. Therefore, this is greatly appreciated by the inhabitants.

However, I believe these offices are built only in designated areas. Only one-fourth of my riding is a designated area. The inhabitants of the parishes in my riding which are outside this designated area would also like to have a post office built by the federal government. Therefore, I would ask the minister and his colleague, the Minister of Public Works, to reconsider this matter of designated areas.

The rural ridings are all poor, and their parishes are far from wealthy. To tell the truth, there is almost no difference between a designated and a non-designated area.

Post offices should be built as much as possible in every parish, in accordance with the amounts allotted by the government for that purpose.

Now, since post offices are quite appreciated and people would like to have them, I think that the Postmaster General should bring pressure to bear on the Department of Finance and the Department of Public Works for the construction of a greater number of post offices in rural parishes.

• (4:30 p.m.)

Now, as for public services given out by tenders, I believe that the rural services and delivery of mail are not quite as appreciable and not very trustworthy.

I agree with the member for Sherbrooke (Mr. Allard) on this matter, for I know that many citizens have submitted tenders which were much too low and who lost money because as soon as they get the job, they apply for wage increases, more services or increases in the mail distribution.

Therefore, I think that there is an injustice here, that something is wrong, for among those who tender, some do not figure out things properly, or are unable to submit good tenders; therefore, their service is inadequate, it is not so good, since they lose money.

Whenever you have to face a complaint, wherever something goes wrong in the operation, you find that people are not satisfied with their salary, because some people have submitted tenders that were too low to give the service. Then, they neglect the service somewhat and disregard the mail delivery schedules; they deliver the mail whenever it suits them.

I think that the minister should take that into consideration and set the price for mail service in rural ridings. I think that the villages should have postal service; it would somewhat become the rule in the whole province and everywhere in Canada.

Everyone should be paid the same price if there is a set price and the citizens would therefore be able to earn a livelihood honourably or at least they would not have to work for nothing.

Many citizens are losing money, delivering mail in rural parishes. Therefore, the system

has to be improved even if things run smoothly in the post offices.

I think that reforms must certainly be brought about with regard to the awarding of contracts for rural mail service.

As far as stamps are concerned, we are satisfied. Personally, I am satisfied with their variety because every time there is a new issue of stamps, I find them more and more attractive. Therefore, there is not much to say on that score.

The only thing I should say, for instance, is that the Post Office Department is doing a good job. The Postmaster General prints his stamps and he does so in sufficient number for the mail service. As long as there are letters to be mailed, there will be stamps to put on them so that those letters may be sent from one place to another, from one ocean to another.

The stamp system is one of the best we ever had. But what I should like to say and compare with the stamp system is the dollar system which the Minister of Finance and Receiver General (Mr. Sharp) should pattern on the stamp system.

Since we are able to make our own stamps and distribute them without some people taking them over and lending them with interest to exploit others, I think that the dollars of the Dominion should be printed by the Bank of Canada or by the Dominion just like stamps.

Although the Post Office Department, through the pictures on those postage stamps, does its work so well that there is nothing to complain about, I feel that the Department of Finance through the Minister of Finance should print the dollar bills needed in Canada to move products from one person to another and thus render a great service, instead of applying restrictions only. Therefore, when those stamps or slips of paper are needed to move those goods, one would not have to kneel before the financiers who have taken over to such an extent that people are practically unable to breathe.

Therefore, with regard to postage stamps, I think that everything is going very well and we have only congratulations for the minister about that.

Now, there would be many things to say about the Post Office Department and other departments. But I think it is quite well organized as far as salaries are concerned and I would even say in all respects. The minister does his work extremely well.

During the postal strike in Montreal last fall, for instance, he managed very well; he mastered the situation in a short time.

The minister has certainly great capacities and we must once again appreciate his services, and especially the manner in which he organized the employees on the matter of salaries.

There are still many things to do so far as salaries are concerned, as employees ask for more and more all the time, because the cost of living is rising continually. But I know that the minister will prove equal to the task in that connection. If there are postal employees who are not well enough paid, he should see to it that justice is done.

But when the employees are sufficiently paid, we must after all agree there is a limit to everything and there is a rule to everything. So the minister is still there to see that justice is done and that the employees are paid sufficiently everywhere. But he should also see to it that there is no abuse. In the area of wages as in others, in short, among those who work in the Post Office Department or in other departments, there are always people who want more and it is up to the minister to know what to do about it. Up to now, we cannot blame him.

Those, Mr. Chairman were the few remarks I wanted to make.

[*English*]

Mr. Cantelon: I have only a few remarks to make. However, I think that before I begin them I should associate myself with what the hon. member for Lambton-Kent had to say about the minister today. His comments were appropriate and highly deserved.

• (4:40 p.m.)

About a week ago I asked the minister a question concerning library book postal rates. He replied that he had received the petition to which I referred, but since then I have received no indication of his attitude toward these rates. In my area, and in much of Saskatchewan, great efforts have been made during the last few years to organize what are known as regional libraries, with central depots about 150 miles from the rim of each district. This means books have to be transported that far. It is not likely they would be sent by post, but in the outlying areas there are subdivisions which also require delivery of library books.

Since attempts are being made to improve the education of our citizens it would be most

unfair and unwise to put any handicap in the way of those attempts. To raise the library book postal rate in effect would do that. Although we all want to see second class mail in particular bear its full cost, this is one area in which relief would be in the national interest. I hope the minister will consider the matter.

I also think the increase in the cost of registration of mail is rather excessive. I suppose cost studies have been made and that the minister feels the costs warrant the increase. If this is true then I have no objection, but I would like to know that such studies have been made.

Mr. Knowles: Mr. Chairman, like most hon. members who have spoken today, including in particular my hon. friend from Winnipeg South Centre, I should like to commend the Postmaster General—

Mr. Churchill: I did not commend him.

Mr. Knowles: Oh, in your heart you did. I should like to commend the Postmaster General on the quiet efficiency with which he presides over this important department. I wish him well, and I trust he will continue to exercise that quiet efficiency during the interesting days ahead when collective bargaining comes into play. This is going to be an important era in the public service of Canada, and I am sure we all realize that the postal department is one where this desirable method of arranging for conditions of work and wages will be put to the test. I am sure the minister is as anxious as I am to see it work, and I wish him well, as he presides over this department at this important time. I should also like to say that as a member from the city of Winnipeg I appreciate the courteous service and attention that is given by the postmaster of that city and his employees to those of us who have occasion to send a considerable volume of mail into our constituencies.

If I might be pardoned one other preliminary word, I have noticed with interest that a good many members have associated themselves with the Post Office Department in various ways. The Postmaster General has an interesting connection of his own. My claim to fame in this connection is that my grandmother was postmistress for many years at an important point in Shelburne county, Nova Scotia, and for many years after her death the post office there continued to be known as Knowles' post office. Unfortunately the previous government found out about it, and during that régime Knowles' post office was discontinued, I do not quite know why. But perhaps something might now be done about it.

However, Mr. Chairman, I rose because of just one issue which I would like to bring to the attention of the minister. I did so by letter and he answered me very courteously, but I still feel the issue should be looked into. I speak on behalf of quite a number of casual employees who get a good deal of work in the Winnipeg post office, and appreciate it. However, they find that despite the fact that they have worked as casuals for many years they never accumulate enough continuous employment to merit their being granted holiday pay. I wrote the minister about this, indicating that I was aware of the regulations. He appreciated that fact but reminded me of them, and said the difficulty is that if people do not get 30 days work on a continuous basis they cannot qualify for the percentage that is allowed under regulations for holiday pay.

The people affected find it a strange coincidence that the amount of work which necessitates their beings called in can be very heavy, but all of a sudden just at the point when they might have enough days to qualify for holiday pay they are laid off and taken back again later. They never get this holiday pay which is provided under regulations affecting government employees, on a basis similar to that provided to those who are under federal labour jurisdiction by virtue of the Canada Labour (Standards) Code.

I would ask that this matter be examined again. I realize the regulations in this respect are not regulations of the Post Office Department. They are regulations that apply to government employees generally. Maybe the minister could do something about these regulations, but at least I think he should make sure that the suspicions of the people affected are not valid. The suspicions could be removed if on occasion these people with many years of casual service could qualify for holiday pay and I urge the minister to see that this is done.

Mr. Enns: Mr. Chairman, the hon. member for Queens voiced valid concern over the lack of provision for a commemoration stamp in memory of our first prime minister, Sir John A. Macdonald. I myself expressed this concern in questions during the first session of this parliament, and on this occasion I want to support the hon. member and deplore this lack.

I have a question relating to special delivery to rural post offices. It seems to me there

is no point in mailing a special delivery letter to very small rural post offices because they do not have any special facilities to deliver them. Mail at these points is picked up only once or twice a week, and if a special delivery letter happens to arrive after a person has picked up his mail, how is he to be made aware of the fact? I believe some compensation ought to be given to the local postmaster for delivering such a letter, or for informing the recipient by telephone of its presence. In many small rural communities although phones may be only a few miles apart calls between them are long distance calls. Is there any compensation paid to local postmasters for delivery of special delivery letters?

Mr. Danforth: Mr. Chairman, I would like to bring three short specific points to the minister's attention in the hope that they will receive serious consideration. One deals with the town of Ridgetown, Ontario, and the post office facilities in it. A new post office building has been postponed for a long time, and for many reasons. I would request that the minister lend his weight to seeing that the new building is constructed at an early date. Indeed, Mr. Chairman, it was so bad that complaints came in about the despicable state of repair of the building, which formerly had been used as a municipal building, fire hall, and post office. The fact is that complaints did come to the government department, together with a request that the broken windows be repaired, that the lawns be mown and that the facilities be taken care of because the property was such an eyesore.

• (4:50 p.m.)

The second matter has to do with the hardships suffered by those in small local post offices. I do not feel that in this regard there should be such strict adherence to the regulations as there has been. I am not one who believes that regulations should be circumvented in any way, but certainly the requirement which requires people to return to their post offices for one hour on Saturday afternoon works a hardship on the people who run these post offices in some of the local areas. Normally they would be free at noon on Saturday and would have the afternoon off. Under the proposed regulations, in order to fit in with the labour standards, they are required to return to open the post office for one hour only.

On the same day they may have been forced to close the post office at eleven o'clock and could not issue mail during the lunch hour. I believe that in circumstances such as this strict adherence to the regulations should not circumvent good sense in this regard. I have no quarrel at all with the people in the local administration because they have done everything they could. They too however are bound by the regulations. I am wondering therefore whether in situations such as this the minister could make some provision so that the whole pattern of a community is not interrupted, so that the people who pick up their kiddies from school could, as they have done through the years, pick up their mail at the same time during the lunch hour, and so that when the women are shopping they could pick up their mail on their way home at noon. In this way the whole routine of the community would not be upset due to the 40 hour week.

There is one other matter with which I should like to deal. This also has to do with strict adherence to the regulations. Surely when one lives within 50 feet or 100 yards of the area where the rural district stops and the urban district begins there must be a way to circumvent the regulations so that a person who is aged or incapacitated is not inconvenienced or subjected to dire hardship. Due to the fact that some people live just beyond the pale they are put to the inconvenience of having to resort to the goodness of their neighbours in having their mail looked after. I am sure the minister and those in the department will take care of these things. I am sure also that these regulations were never intended to work a hardship on the people concerned, but rather were intended as guide lines to help provide an efficient service. I would really hope that the minister would give consideration to the problems I have outlined.

Mr. Côté (Longueuil): Mr. Chairman, I know the members of the house are very anxious to get these estimates through before five o'clock. I should like to make a few comments on the general points which were brought up during this discussion, First, I should like to thank all hon. members who took part in this debate for the constructive way they have presented their criticisms and for the comments they made in respect of myself personally. I appreciate this and I shall take the advice of the hon. member for Winnipeg South Centre, that I do not permit myself to be carried away by these comments.

As most hon. members are aware, on the one hand I was asked to try to balance the budget and get rid of the deficit, and on the other hand I received criticism in respect of

the recent increased costs. If I increased only the third class services, this was because I could do it on my own without asking for the approval of parliament. So far as the second class services are concerned, I intend in the fall to ask for authority in this regard from parliament.

With regard to c.o.d.'s, special deliveries, library books, and so on, we know exactly how much these services cost. Even if there is a slight increase in some instances and a considerable increase in others, we are still losing money on these items we are delivering.

Much has been said about the rural routes. This is a situation which I intend to change as a result of the amendments to the Post Office Act which I plan to bring in during the fall. There will be some changes. Let us say that perhaps these rural couriers for many years have been the worst political victims in this department. It was, though perhaps not a rule, at least a well established practice that if one of these contracts had ended, the government which was in power would ask the member of parliament for that constituency or the defeated candidate whether in his opinion the contract should be renewed —because the Postmaster General has the right to renew these contracts—or whether tenders should be asked on it.

I stopped this practice, Mr. Chairman, because I believe this is something which has been very bad for the poor rural couriers, who are endeavouring to make a living. I do not believe it should always be necessary for them to retender every four years, because in order to be reasonably sure they would obtain the contract they sometimes would tender at an amount lower than that which they had been receiving under the previous contract. This would mean that they would have to wait two more years in order to have it readjusted. I believe if the regional manager finds that a rural courier is doing a good job, that rural courier should have his contract renewed automatically.

Readjustments are being made every second year. One exception, however, is that in respect of the last increases which were given we added an amount for the contribution to the Canada Pension Plan, and another amount in lieu of the holidays, which cannot be given.

So far as stamps are concerned, although we have had many criticisms of our stamps, people who know about philately say that our stamps are of very good quality. I was asked exactly what the procedure is in this regard. We decide how many stamps should be issued in a year and what things should be commemorated. We ask some well known artist to design stamps for us. Sometimes we receive ten, 12 or 15 different drawings. It is up to the Postmaster General to decide which of these should be accepted. I must say that on some occasions when there are seven, eight or ten different designs I do not have too much choice. It becomes a matter of choosing the one which is not the worst. This makes it more difficult. If we were to form a committee to select the stamps, I believe this would be merely an effort to place the responsibility on someone else when, I believe, the Postmaster General should accept that responsibility.

• (5:00 p.m.)

The opening remarks in respect of this discussion were made by the hon. member for Lambton-Kent. He seemed to be very confused concerning the manner in which the estimates are prepared. I must say that the post office is one of seven or eight departments which have developed a system of program budgeting as recommended by the Glassco Commission. One thing still not shown in the estimates is the amount the department has to pay the Department of Public Works for buildings. This will be shown, and I am sorry the report of the Postmaster General was not printed by the Queen's Printer in time for distribution before consideration of my estimates. I understand they will be completed in a few days.

In the past I have followed the practice of answering by letter hon. members' questions raised during the consideration of my estimates, and I intend to do the same thing this time.

Perhaps I could cover one other point raised by the hon. member for Wellington South concerning the proposal to make this department a crown corporation. A study is presently being carried out to determine whether this would be a good idea for Canada and for the employees. I know that in other countries where postal services are performed by a crown corporation they do not have services as good as ours. I also know in other countries which have not changed to a crown corporation their service is much worse than ours. We must determine by study whether this would improve the service in Canada, and if those studies indicate that there would be an improvement I will be the first one to

press the government for the establishment of a crown corporation.

Mr. Churchill: Such a move would reduce the size of the cabinet.

Mr. Côté (Longueuil): That might be true, but perhaps we would then be looking for a president for the crown corporation. Maybe you would be interested.

I do not believe there is much point in commenting on this suggestion without having all the figures and facts resulting from the study. My deputy minister was in London in May to meet his counterpart there to find out how the crown corporation is operating, and this is part of the study which is taking place.

One or two questions were raised by the hon. member for York-Humber regarding the rates and costs of our air service through Air Canada. At one time the rate was as high as $9.25 per ton mile. We are now paying 52.1 cents per ton mile.

Mr. Chairman, may I continue?

Mr. Knowles: Don't ask; just carry on.

The Chairman: Does the minister wish to continue for a few minutes after five o'clock?

Some hon. Members: Agreed.

Mr. Churchill: Let us not see the clock.

The Chairman: Does the committee agree to allow the minister to continue?

Some hon. Members: Agreed.

Mr. Churchill: Just for five minutes.

Mr. Côté (Longueuil): The hon. member for Lambton-Kent asked about publicity by the use of film, and said that he had not seen any as yet. We are using clips on television at Christmas time urging people to mail early. We also have a centennial film to be used as a publicity vehicle to show the history and growth of the Canadian post office in conjunction with the history and growth of Canada.

The hon. member for Vancouver East made quite a plea in respect of the Pony Express employees in Vancouver. It is not easy for a government which decides, for good reasons, to take over a certain service; but I think a government department should be allowed to do so when it is felt advantageous to the department. There is a problem in relation to the employees who worked for this contractor, but the contractor was not sure of having the contract permanently. I believe that we should ask for tenders every four years, so that these contracts are made subject to tender.

Perhaps I should say that in big cities we cannot always call for tenders because there is no one else but the present contractor who has the number of trucks and employees necessary to operate this type of service. In some of these cities the contracts have been renewed as a result of not calling for tenders for 12 to 15 years. I do not think this is the good or the right way to run a business. We should make it possible to have competition in this area of the postal service.

Having regard to the Pony Express service, we received 291 applications from people other than the employees of the Pony Express for the jobs available, and they were agreeable to accepting the rate which everyone else doing this work in the Post Office Department is receiving. Incidentally this rate was agreed to by the postal unions. Of the 291 applications, there were 11 from post office employees, four of which qualified. We received three applications from employees of the Pony Express. One was qualified; one did not pass the driver's test and one was not suitable for the job. We are trying our best to help these people, but we still have problems because many of them cannot qualify under the regulations of the Post Office Department. We hope that as a result of the experience we are gaining our transportation services will prove satisfactory.

The hon. member for Springfield raised a question about rates of pay for postmasters in rural areas throughout the country. Let me say that this year the increases granted varied between 7 per cent and 29 per cent and they were interim increases. As a result these postmasters received the biggest increase they have ever had. We are also using these increased figures in a general reclassification of postmasters and assistants in order to create a better balance in respect of the pay they receive in relation to the work they are performing.

The hon. member also referred to third class mail lying on counters. I will look into this situation, but I must say this is the first time I have heard about it.

Mr. Chairman, I think that covers about everything, although perhaps I should say something about the problems raised by the hon. member for Gaspé. I think we have made great improvement in postal services in that area over the past few years. People are beginning to realize that we are giving much better service. At a later time I will provide

that hon. members with the explanations for which he has asked.

I shall also look into problems relating to casual employees. We have had some difficulty in this regard throughout the country, but we are faced with certain difficulties because of the regulations of the Public Service Act, and we have to be guided by this act.

• (5:10 p.m.)

[*Translation*]

The hon. member for Trois-Rivières (Mr. Mongrain) spoke to me of the philatelic gallery which is there and which I had the pleasure to visit. I can say that Mr. Lévesque who built and owns this gallery has done extraordinary work to try to retrace the history throughout the eras and we are most interested in getting, in the department, a kind of curator who could organize a philatelic gallery so that people who come to visit the capital could see the riches we now have in the department. The department owns an extraordinary number of stamps which are not exhibited, but held in files and it would be most interesting for the Canadian people to have the opportunity of seeing these items.

[*English*]

That is about all I have to say, Mr. Chairman. As I said before, any answers that I could not give today will be given by me in the next few weeks.

Item agreed to.

The Chairman: This completes the estimates of the Department of the Postmaster General.

Mr. Knowles: The minister has shown some of the others how to do it.

Mr. Rapp: He deserves it. He does not challenge anything, but just answers the questions he is asked.

Resolution adopted in committee of supply this day reported and concurred in.

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

CANADA ELECTIONS ACT

PROHIBITION OF PUBLICATION OF STRAW POLL RESULTS DURING CAMPAIGN

Mr. Arnold Peters (Timiskaming) moved the second reading of Bill No. C-3, to amend the Canada Elections Act (publication of straw poll results).

[Mr. Côté (Longueuil).]

He said: Mr. Speaker, there are a number of different types of public bills on the order paper and I think this one fits into a very broad category in which there should be discussion by all persons concerned, rather than a member trying to express an independent point of view, as happens with respect to many of the bills dealt with in this hour. The purpose of this bill is not to eliminate the taking of public opinion polls. I think the opinion polls that have been taken have had a fairly uncanny accuracy. It is surprising when one looks back at the results projected in elections, in particular, and sees the accuracy these polls have displayed. I think this raises a doubt, however, as to whether this particular tool should be allowed to be used during an election.

It is interesting to note that in conducting a straw poll or an opinion poll you are taking the opinion of a very small section of the population. If it is done scientifically and covers a broad spectrum of public opinion, though the number may be very small the result will probably produce the fairly accurate opinion of those asked the specific question. This of course raises, in a political sense, a great deal of difficulty. It was interesting to watch last year the manipulations that took place in political parties in the province of Ontario. My political party has been no less involved than others in the taking of polls for the assessment of public opinion in respect of its philosophy. It was interesting last year to read that the Liberals in conducting their opinion poll found the Conservatives to be in a very low position in the eyes of those polled. They found they were not too well off and surprisingly agreed that the New Democrats in Ontario had made very large gains. The Conservatives took a poll which showed they were not quite so badly off, and they also indicated that the N.D.P. had made very sizeable gains.

I have the opportunity of sitting on the executive of the Ontario section of my party, and sat in on a number of discussions where the enthusiasm which you might expect for these polls was totally absent. In fact a great deal of controversy was raised about what the results of these polls really meant, so much so that the executive finally decided to take an opinion poll of their own. They were going to do it very honestly. There was a difference of opinion in how we should word the question contained in the poll in order to achieve a result that we thought would be accurate. We did not want to achieve the result we would like to see, but one which was accurate. There

was considerable difficulty in a number of people deciding what question should be asked in order to obtain an accurate sampling of the electorate, rather than asking the kind of question that would get a huge majority of "yesses" in answering the question asked.

I think anyone who has been concerned with the taking of opinion polls will agree that they are only of value if the person asking the question has no interest in the result of the poll, other than in a scientific sense. The question has to be asked in such a way that it is not a leading question, such as: Have you quit beating your wife yet? It does not really make much difference whether the answer to that question is yes or no; the opinion poll indicates that you had been beating her in the past. This is a very easy type of question to set up. It seems to me that if you conduct an opinion poll during an election, you might as well not have the election. Certainly all the dictatorships and all the countries in which they have state newspapers conduct opinion polls wherein the question is oriented so that it will receive the required answer. This does not establish an opinion of the electorate; it is asking for the opinion of the electorate but deciding what the answer shall be.

If you check history you will see this is partly the reason why the national socialist or nazi party of Germany was able to win an overwhelming vote in 1936 or 1937. The question that is asked elicits only one answer, and anybody who is willing to cast a ballot provides that answer.

I believe that elections are an important and integral part of our democratic process. This is not to say that politicians and political parties have not a major role to play because I believe they do. I believe that election issues should be decided by a thinking, informed electorate on the facts which are provided. It seems to me that the electorate should have as much information provided as is possible, that political propaganda or even the popularity of an individual should play an important role. The news media should provide information on both the pro's and con's of all problems or issues. All the information possible should be provided to the electorate so they can make a decision.

• (5:20 p.m.)

Now, each of the political parties should have, and usually does have, the right to put forward its views in clear, informative way so that the electorate is really an informed electorate and will make a decision in the national interest. It seems that if an opinion poll is conducted during an election campaign and the results are printed, there is a tendency for the public to be influenced by those results. There are of course many people who will say they want to be on the winning side. If there are many who take this attitude, then they are not going to make an intelligent decision.

I believe that opinion polls should be conducted. The only thing this amendment attempts to do is to prohibit the publication of the results of an opinion poll between the time an election is called and the time the election is held. The results can be made known of course afterwards, when they would not influence the election results.

Some members will say this is a restriction on the right of agencies to conduct opinion polls. However, this step has been taken in British Columbia. I have not been able to ascertain whether British Columbia experienced some unfortunate incident which caused the passage of legislation of this type. However, it has not been possible, under penalty of law, to conduct an opinion poll in British Columbia and publish the result during an election.

I believe there is some merit in the restriction I suggest. I believe it will become more and more important as political parties gain some equality in ability to get their message across to the people. As I say, changes may take place where political parties will be allowed a certain amount of money per voter to get their message across to the electorate.

I think most people will agree that political parties should be able to provide information about their platform and their record, and they should have an obligation to make the electorate understand the issues of the day and their role in these issues. This would enable the electorate to make a decision. I feel therefore if we are looking at amendments to the election act, that the publication of the results of opinion polls should be prohibited at certain times. The history of opinion polls in Canada has been unlike that of the United States. Our opinion polls have been fairly accurate in their forecasts. Sometimes you wonder whether the accuracy stems from the publication of these polls or whether this is an indication of the influence they have upon people.

I think everyone will agree that unless the questioner is totally unbiased or the question is asked in a way to elicit information, it

would be very difficult indeed to make accurate forcasts on the basis of the poll being conducted. For this reason, I believe the question merits some study by a committee.

This matter should not be considered in a political way, but as to whether or not this probibition will result in a more informed electorate, and electorate that is better able to make its own judgment. This may strengthen the role of democracy. I suggest that those who believe it will do so should support this bill, whereas those who believe these polls are a tool of politics should oppose the bill.

As I have said, I believe that each political party in Ontario has gone into this field. Evidently there is not going to be an election in Ontario this spring and that may be partly because of the publication of these opinion polls. This may have had some influence on the deicison not to hold an election, and that may be good or bad. I think it is unfair that the results of any poll should be published a few days before an election, if it has any influence on the electorate. I think most of us agree the attitude is wrong, but some person will say: I have to be on the winning side, and this looks like the winning side.

I say this, Mr. Speaker, knowing full well that from time to time the winning side may change. When I first thought of this idea, I probably thought of it because we may have been on the wrong side. Time may have changed that situation and opinion polls, properly conducted may be advantageous to us. However, I feel they should not be looked at in a narrow way if we are changing the elections act. We should make changes in a manner which will give us the best possible elections act, so as to develop an informed electorate and so that national interests can be served.

[*Translation*]

Mr. Jean-Eudes Dubé (Restigouche-Madawaska): Mr. Speaker, I have followed with much interest the remarks and comments of the hon. member for Timiskaming (Mr. Peters) concerning his bill, C-3, entitled an act to amend the Canada Elections Act (Publication of Straw Poll Results).

According to the explanatory notes of Bill No. C-3, the purpose of the proposed amendment is to prohibit the publication of polls before election day.

Clause one, the only one in the bill, specifies that the period of prohibition extends from the date of issue of the writ for an election or from the dissolution of parliament, as the case may be, until the closing of the polls on election day.

As a matter of fact, its purpose is to prohibit the publication of Gallup polls throughout the election campaign.

Such prohibition covers radio broadcasts, newspapers, news sheets, posters, bill-boards, handbills or any other medium. Moreover, the word "broadcast" is defined in subclause (3) as having—

—the same meaning as "broadcasting",

—as explained in the Broadcasting Act. And clause 2, paragraph (b) of the Broadcasting Act gives the following definition of broadcasting:

"Broadcasting" means the dissemination of any form of radioelectric communication, including radiotelegraph, radiotelephone, the wireless transmission of writing, signs, signals, pictures and sounds of all kinds by means of Hertzian waves, intended to be received by the public either directly or through the medium of relay stations.

In short, Bill No. C-3 bans all reporting of Gallup poll results through television, telegraph and all modern means of communication.

Mr. Speaker, everyone knows that public opinion polls are nothing new. These polls have been serving the public not only in North America, but in Europe for a number of years.

Any self-respecting large scale enterprise uses public polls for its own commercial purposes. Before they put their goods on the market, large manufacturers sponsor studies to determine the taste and preferences of the consumers.

With this precious information, large enterprises can then go out on the market on good grounds, and provide the consumer with the product which is best suited to his needs.

Thus, these public polls are very useful to the producer as well as to the consumer. Of course, I have referred to private polls which are used by private industry and not generally disclosed to the public at large.

• (5:30 p.m.)

But those private opinion polls do not fall within the scope of Bill No. C-3: the bill concerns political test polls and aims to forbid them during electoral campaigns.

As the hon. members know, those political polls are very popular in the United States. Candidates to the American presidency, political parties and even candidates for local positions take more or less regularly such

polls to evaluate their personal popularity.

The polls have grown so technical, so perfected, so accurate, that they enable the candidates to adjust their image, their aim to the wishes of their electors.

Even some very flexible American candidates can suddenly become more conservative or liberal or socialist according to the findings, the tastes of their electors, as revealed by those polls which have become very accurate.

It seems that the president of the United States is somewhat allergic to polls and his blood pressure goes up or down according to his popularity ratings.

There is no doubt that his policy, and probably several of his daily decisions are at least in part affected to some extent by those political polls.

Even the way the Viet Nam war is carried out cannot escape completely that natural reaction. In exaggerating a little, one might conclude that the fate of humanity can be decided on the results of a Gallup or a Lou Harris poll.

Here, in Canada, as the race for the leadership of a party, that is the leadership of the Conservative party, is gathering impetus, if ever it does, public opinion polls will enlighten us a little on the subject.

And I hope that these polls on the popularity of each candidate will bring to light the degree of popularity or lack of it of the respective candidates.

I think that the publication of such results, such soundings concerning the respective popularity of the candidates, would have a beneficial effect on the delegates to this convention and in fact on all Canadians who really want to understand the situation.

Actually, Mr. Speaker, public opinion is playing an increasingly important role in our society. I believe that a profound knowledge of the opinion of those who are governed can help those who govern.

In this respect, perhaps I may be allowed to quote a passage from this little book entitled "L'opinion publique", written by Alfred Sauvy and published by the French university press.

I quote from page 122:

The governed must express themselves—

It is necessary that the opinion of the public be known, that is the opinion of the whole body of the governed. The public authorities have not received from the electorate sufficient indications on which to base their decisions on the issues coming up. No doubt, they lack a peremptory mandate, no doubt it could also be said that they must vote according to their conscience, taking into account a state of mind of those who have appointed them.

In no country, however, do the governed give up all participation between elections.

If a government and a parliament were to act in ignorance of the views of the governed, they would risk doing things which would not be approved and passing legislation or decrees that could not be enforced. Implementation requires a minimum of consent by the governed.

This is particularly true of internal policy. Foreign policy does not require as much checking with public opinion (and often goes without) as long as no contribution (tax, military, etc.) and too noticeable risks are involved.

Nevertheless, again in this area, the value of knowing the opinion of the governed is well understood.

Obviously, science as regards public opinion polls and technology is far from having achieved perfection and opinion polls err from time to time. It is nevertheless a science in process of development, but which would not achieve full growth should the state take upon itself to restrict it. Now I believe the bill introduced today, bill No C-3, is indeed a restriction of some kind in the final analysis.

At the time of the last general election in 1965, the Gallup poll had predicted a margin of 15 per cent in favour of the government's candidates, in favour of the Liberal party. As a matter of fact that margin, as we know, was reduced to 7 per cent over the Conservative party on election night. Peter Regenstreiff, of happy or unhappy memory, was another one, as we can remember, who was very much on the wrong track.

Needless to say that the newspapers in favour of the opposition parties made ample protests at the time. Allow me to quote, in this connection, a few excerpts from an editorial of the Fredericton *Daily Gleaner*, dated November 13, 1965. The article is under the heading: "Confusing the Electorate".

[*English*]

First of all, Mr. Speaker, I wish to quote the first two paragraphs of this editorial, which appeared in the Fredericton *Daily Gleaner* issue of Saturday, November 13, 1965:

• (5:40 p.m.)

We publish on another page today the Gallup poll's explanation of its failure to rightly assess the results of the federal election. It is, in our opinion, a most unsatisfactory explanation.

Amazingly, the Gallup poll praises its own "accuracy" and claims that its figures were reasonable and within a "normal sampling error of 4 per cent."

A little farther down the article continues:

We believe that the Gallup poll should apologize publicly for confusing the electorate in this way.

[*Translation*]

Besides, the *Daily Gleaner*, which is a Conservative newspaper, I would say ultra conservative and even hostile to modern methods and changes, even the *Daily Gleaner* does not suggest that the taking of opinion polls be prohibited. I now quote the last paragraph of that report entitled "Confusing the Electorate".

[*English*]

British Columbia's Attorney-General Robert Bonner says that political polls cast an unnatural light on electioneering and should be scrapped. We do not agree with him because we believe that freedom of expression demands that there shall be no barriers placed upon public opinion—

[*Translation*]

Therefore, if the publication of Gallup type opinion polls taken to sound out the electorate was prohibited during political campaigns, as proposed in Bill No. C-3, the public would automatically be deprived of very valuable sources of information, even though they are not completely accurate yet, and even though that science requires more research. And, should the bill in question be passed, those sources of information, those opinion polls would still be available to the rich, the powerful, the potentates who would have the necessary funds for their own unpublished private polls.

I find it bit strange for a supporter of the socialist philosophy to advocate, in this house, a limitation of information media, a limitation in favour of the privileged classes, to the detriment of the worker and the man on the street who could not afford those polls which would still be avilable to those who are in a better financial position.

Mr. Speaker, I should also like to refer, in this connection, to a few paragraphs taken from an article published in the Ottawa *Citizen* on April 25, 1966 under the heading:

[*English*]

"Britons consider ban on election pollsters". I shall quote from that part of the article headed "Proof needed":

But since opinion polling is such a strong force, there would be dangers in allowing a government to prohibit it without considerable evidence that it is a serious evil, *The Times* adds.

An alternative would be to ban betting but *The Times* concludes that even this would not be easy since betting undoubtedly would continue underground.

The pulse takers, who have turned opinion polls into big business, are watching the debate with some apprehension. Henry Durant, director of the British Gallup poll, suggests that without opinion polls, democracy would be operating in the dark.

"Can any argument be brought against polls which cannot also be brought against newspapers, radio and television?" he asks. "Is it better to have polls driven underground, undertaken by the rich for their private benefit rather than to have them made and published in the open?"

[*Translation*]

In closing, Mr. Speaker, I should like to echo the remarks of a journalist, an economist from London, as reported in the article already mentioned in the Ottawa *Citizen*.

[*English*]

I am quoting again from the article in the Ottawa *Citizen* of Monday, April 25, 1966:

To settle the whole argument, a member of *The Economist* magazine staff suggests with tongue in cheek; "Surely now is the time to conduct an opinion poll on the effect of opinion polls on voting behavior."

Mr. Heath Macquarrie (Queens): Mr. Speaker, I find myself in opposition to this measure. I think it is a potential curtailment of freedom of expression and it is certainly a curtailment of freedom of research. Many who are interested in public opinion sampling and in the taking of polls are not politicians. The behavioural scientists, sociologists, or political scientists are more than ever before engaged in this activity.

If this measure ever became part of the Canada Elections Act it would be a great denial, I think, to students in these fields. I quite agree that it is important to improve and make more scientific the conduct of public opinion polling. Hon. members are becoming amateur public opinion pollsters through the use of questionnaires. I find the amendment extremely restrictive. It would forbid the individual even by word of mouth to pass on information of certain kinds. For instance, you could not have information about what the taxi drivers are saying. Some persons go to meetings and ask: "What about the taxi drivers? What are they saying?" The answer is, "Oh, they are for" so and so. Such persons would even be prohibited from asking those questions and reporting the answers by this extremely restrictive act.

I am appalled by the suggestion that public opinion polls are fine until the election campaign starts. You have public opinion polls all the way through, and perhaps they indicate that a certain party has the allegiance of 65

per cent of the electorate. Then the election comes along; the people now know who the candidates are and what their views are. They know what the question is that they have to vote on. To say: "You cannot take polls, now that an election is on and publish the results" would mean that lingering through the election campaign would be the memory of a poll which was manifestly out of date, which was taken before the platforms were announced or before the issues were joined. In other words the only poll would be one that had been taken before the actual and real question could possibly have been posed to the electorate. This, I think, is the most regrettable part of this measure.

I presume the hon. member feels that the release of information taken from polls constitutes an improper influence on the voter. I am not so worried about that aspect, and I belong to the party that has been more often badly served than any other by public opinion polls of this country. In my opinion the release of results taken from the public opinion poll is only one factor which might influence the electorate, and during election campaigns many devices are designed to that end.

You have public meetings; you go in and say "Everybody is for me," and you hope that every newspaper will write, "The hall was packed." You even pay for an advertisement in the paper which says: The swing is to Joe, or to Bill, the people's candidate. In this way you are seeking to influence public opinion. If we are to forbid the professors of sociology from conducting polls, what about editorialists who in their editorials say: I think that such and such party will sweep the country? What about the pundits, the columnists, of which Charles Lynch is an example? Every time I read Charles Lynch saying that somebody will be defeated I mark that person down as somebody to be elected. In an election I should miss Charles Lynch. By reading him I know to whom to send my congratulatory letters in advance.

I am not worried about the spectre that the hon. member raises. It seems to me that by passing such legislation we should reveal a lack of faith in the rational processes of the people we represent. I think we can trust the people. They are not, surely, primarily motivated by the hope that they are to be on the winning side. If that were the case, some of us would never have gotten here, because there are many people in this chamber who were not billed as winners, and many times had elections followed public opinion polls there would have been an altogether different result. I think of 1957 as a prime example of this.

• (5:50 p.m.)

I am not impressed by British Columbia being cited as an example of a province where polls are banned. I see no real evidence that the political judgment of people in British Columbia is so much superior to that of Nova Scotia where we do have public opinion polls, and also I think extremely good judgment is known on "the day." I am always fearful of any legislation which seeks to protect the people against themselves. Let us have all the data which is available. Let us have the pollsters. If the average citizen knows that the Liberal party or the Conservative party has published a poll it would occur to him, I have no doubt, that there might be a certain element of bias attached to it.

The public knows that while polls are often right, they are frequently wrong, and I doubt that many people, when the crunch is on and they move into the silence of the poll booth, say to themselves: The public opinion polls tell us that so and so will win, and we want to make sure we prove the public opinion pollsters to be right. I believe they have more than that on their minds.

Let us trust the people. Give them the data. Let them put it through the mill of their own thinking, and I believe they will come up with a solution which is satisfactory to them and which is the result of free, democratic choice.

Mr. Leonard Hopkins (Renfrew North): I support the sentiments of the last speaker in opposing this legislation which would prohibit the use of public polls after the issue of a writ of election. I do so because I do not think the bill is very complimentary to the electorate.

Today we have an electorate composed of people who are quite capable of making up their own minds. I do not think they will be bullied into voting one way or another just because newspapers publish public opinion polls.

What if we were to pass this legislation? Suppose we did make it illegal to use public opinion polls in the course of an election. What is there to prevent the United States television stations and radio stations across the border broadcasting all the public opinion polls taken in Canada, or even conducting such polls themselves and transmitting the

results as news to Canadians across the border?

We are told, after all, that 80 per cent of the Canadian population lives in a zone 100 miles north of the United States border. For this reason alone I would say it was nonsense for this house to be considering such a bill as is now before us, taking account of the news media which are now available. Even if we were to pass this bill it would not be effective; the news media would not be stymied.

I should like to cite the example of Mr. Regenstrief's prediction of the Social Credit upsurge in northern Quebec and other areas of Quebec in 1962. He was quite accurate in his prediction. But he did not create this movement. The ideas were there to begin with; he simply identified them. This I believe is what public opinion polls try to do.

We are told they have such a law as this in British Columbia. But what evidence is there to show it has been a good thing?

Mr. Churchill: It has kept the Grits out of office.

Mr. Knowles: Look what they have got, though.

Mr. Hopkins: British Columbia does not have a *Hansard* either.

Is that a good thing? We have a more educated electorate today and, as I say, people will not be bullied into voting one way or another just because something appears in a newspaper.

I remember that in my own campaign in 1965 a person came from the headquarters of the opposition and stated, on the basis of a survey, that his party was well out in the lead in my riding. I believe this man's name was Goodman. Mr. Goodman was a little out on that occasion. It just goes to prove that regardless of how often these statistics are published, people make up their own minds, basically, in accordance with their personal judgments. I do not think the publication of an opinion poll has any more influence on the public than many biased articles which appear in newspapers from time to time. I believe Canadians read their newspapers with a grain of salt, and that they make up their minds only after reading several newspapers or after listening to commentaries by various people. On this basis they decide what is closest to the truth.

In conclusion, let me say this. There is one thing of which every politician must be well aware. It is that we are all here with the consent of the public back home, and there are always people across Canada who can take our places. If anything were to happen to us today, the world would go on just the same. The electors would still carry on and make up their minds on the basis of what they think best for our country.

If I had time I would bring up the topic of the 1948 election in the United States. However, I see I do not have time in which to do so. I wish only to say I am quite satisfied to leave the fate of these polls to the good judgment of the Canadian people. I do not think we need attempt to stymie the news media in any way, because the good judgment of the electorate will make up the difference.

Some hon. Members: Six o'clock.

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

[The following item was passed in Committee of Supply this day:]

POST OFFICE DEPARTMENT

1

HOUSE OF COMMONS

Monday, June 5, 1967

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

MIDDLE EAST—STATEMENTS ON OUTBREAK OF HOSTILITIES

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to make a short statement to the house on the situation in the Middle East. With events in that area, tragic events, unfolding rapidly and at present uncertainly, the house will not expect me to go into details even if I were able to do so.

The house is aware, I am sure, that the Secretary General of the United Nations reported this morning to the security council, which was meeting in emergency session, the outbreak of large scale hostilities on the land and in the air between the armed forces of Israel and Israel's neighbours. I understand, Mr. Speaker, that these engagements may have extended to Sharm el Sheikh on the gulf of Aqaba.

The circumstances in which fighting began are not clear, and already there have been charges and countercharges. The Secretary General this morning was not in a position to throw any light on this question on the basis of reports he had received from the United Nations truce supervisory organization chief of staff or the commander of the United Nations emergency force.

The UNTSO chief of staff, whose headquarters are in the area between the lines in Jerusalem, tried to arrange a cease fire on the Israel-Jordan border and possibly elsewhere, without success. UNTSO headquarters in Jerusalem are no longer in touch with New York. It is understood that these headquarters were occupied by Jordanian forces but, reportedly, reoccupied by Israeli forces. UNTSO headquarters may not, therefore, be able to contribute much further information at this time at least regarding the course of the fighting.

Twenty Canadian officers are serving with UNTSO; our contingent with UNEF has, of course, left the area. Members of the house will have heard, I am sure, with deep regret the Secretary General's report of the tragic death of three members of the Indian contingent of UNEF and the wounding of others in a strafing attack in the Gaza area. There has also been a report in the last hour or so that a member of the Brazilian contingent in UNEF has been killed. These are the only casualties among the United Nations personnel of which we have any word.

(2:40 p.m.)

As hon. members know, the security council this morning heard statements by the Secretary General, the representative of Israel and the representative of the U.A.R. Urgent consultations are proceeding among the members of the council, during a recess which was called, on the text of a resolution to be introduced and, I hope, agreed on without delay, with a view to meeting the most urgent immediate requirement, which is a cease fire.

When the Secretary General made his report to the security council on his return from Cairo a few days ago, he included these words, and I quote from his report.

> My main concern at this critical juncture must be to try to gain time in order to lay the basis for a détente.

Well, some time was gained, but the security council was unable to act effectively to prevent the crisis deteriorating into war. Therefore, to repeat the Secretary General's phrase; "our main concern at this critical juncture must be to end the fighting" and, after that, to bring about an armistice which will be binding on both sides and which will stick until it can be converted into peace and a political settlement. Surely there can be no further delay or debate about this. If things once again remain unchanged after the fighting ends, the fighting will begin again at some future date. I along with others said this in 1956 and 1957, and I say it with more conviction and even with some desperation now.

But that is for the future, though I hope for the near future. For the moment the security council should concentrate, as no doubt it is doing, on ending the fighting as the only certain way of preventing it from spreading. I am not suggesting it will spread—I am not an alarmist here—but we should do everything to remove this dire and dreadful possibility. Therefore a cease fire comes first.

This is not the time to establish responsibility, let alone to assess blame for what happened in the early hours of this morning. That kind of inquiry can wait. In any event it would have to relate the occasion of war to the cause of war, something which goes back many years and deep into basic policy.

The main responsibility for intervening to end the war and bring about a settlement rests with the security council, on which Canada serves and where we shall do everything we can to bring about peace. In particular it rests upon the four permanent members of the security council, the United Kingdom, the United States, France and the U.S.S.R. They should meet and discharge that responsibility, preferably as members of the Security Council and reporting to that body—but I feel they should meet—and perhaps on a high political level. This is a time for very deep concern. It is no time for despair, but for a great effort for peace in that area.

Some hon. Members: Hear, hear.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to thank the Prime Minister for his statement. I agree that at this particular moment in the grave world situation one cannot go further than he has gone in saying that every possible effort should be made to bring a cessation to the fighting. Every possible effort should be made in the security council to arrange for an armistice. Only at that stage can we hope for a general settlement of the troubles that have beset the Middle East for so long.

At the present moment, with only brief details available of the extent of the fighting, it is impossible, as the Prime Minister has indicated, to assess blame or responsibility. We will have to wait and see what happens, not that waiting and seeing are always the best course when trouble breaks out in the world, but at this particular stage Canada can only hopefully express its aspirations that the security council will be able to take action and that the four major powers there, whose concern with the Middle East has been great for so many years, will make sure that the conflict is contained and stopped in the shortest possible time.

We are living in an age when we cannot face the horrors of widespread war without a great deal of fear. This is one of the grave moments in world history when we are given, we hope, another chance to reassess some of the problems of the world and, if this conflict

can be checked, try to cure some of the underlying causes of that conflict. I recall so well that in the spring of 1956 when trouble was brewing in the Middle East we had discussions here in the House of Commons. We looked to the United Nations to stop any outbreak of violence in that area, but nevertheless it did occur. In the spring of 1956 I was called upon to address a public meeting in Montreal on the state of affairs in the Middle East, and one paragraph from my address I think is applicable at the present time. I said then:

> What happens to Israel at this grave juncture is a matter of great concern not only to all the small nations but to the world organization of the United Nations. For the United Nations assembly in 1947 determined the partition of Palestine, accepted the conclusion of the mandate of Great Britain and launched the tiny state on the course that led to its independence. The United States and Russia were in agreement, Canada played an active part in promoting the interests of the new nation, 33 nations voted in favour of the plan. In fact, the state of Israel is a creation of the United Nations. If the state of Israel should now be destroyed the influence and the prestige of the United Nations would suffer a serious reverse.

During the course of that address I also used these sentences:

> —the establishment of the state of Israel has been marred by many acts of violence and has resulted in much bitterness and in the uprooting and dispersal of other people. Until some solution is found for the Arab refugees from Palestine the Middle East will continue to be unsettled. There is great need for an understanding of all these problems by other nations of the world.

That was 11 years ago. The situation has now reached a crisis point again and a solution still evades us. I do not know how many more lessons the world will require before we are able, through the United Nations, to settle some of these troublesome problems in the world which apparently inevitably lead to armed conflict.

Some hon. Members: Hear, hear.

• (2:50 p.m.)

Mr. David Lewis (York South): Mr. Speaker, first I should like to express to the right hon. Prime Minister our appreciation for his having asked spokesmen of the parties opposite him to meet with him and the Secretary of State for External Affairs. This seems to us to be an act of statesmanship of which we approve in a crisis of this sort. Of course I know this is not the first time it has been done.

Mr. Speaker, in this most serious and dangerous situation there is surely no purpose in seeking to lay blame for the actual outbreak

of fighting. In my view the Middle East war really began the moment the UN emergency force was withdrawn and forces began to mass all around the borders of Israel and on the Israeli side.

The great world tragedy, I suggest, lies in the failure of the United Nations to reach any fruitful conclusions during the past two weeks, when it was still possible to avoid the actual outbreak of fighting. Instead of dealing with the crisis constructively and with a sense of urgency for the peace of the world, the security council became bogged down in endless debate. The actual war in the Middle East is tragic beyond words. Equally tragic is the low point to which the influence of the United Nations has been brought by the failure of the security council in this crisis.

This is, I think, a sad moment for the international organization and for the world. In our view, however, this very fact must strengthen the determination of all members of the international organization to do everything humanly possible to rebuild the influence and value of the United Nations; for it still remains the only international quorum for discussion and action to avoid disaster in the future.

I repeat what I said in the house two weeks ago tomorrow. One of the basic problems in the Middle East crisis leading to the present war has been the refusal of the Arab states to recognize Israel's right to exist. I also underline my personal conviction that when the United Nations solemnly established the state of Israel in the fall of 1947 that act, which had the full support of the Soviet union and all the great powers at that time, carried with it a moral as well as a legal obligation to seek a political settlement in the Middle East. This was not done. Indeed, even in the last ten years since the United Nations emergency force was established no steps to my knowledge were taken to follow up the end of the fighting at that time with an energetic search for a political settlement, despite the warnings of our present Prime Minister and others during the debate at the United Nations in 1957.

I mention these facts briefly because of my conviction that even if a cease fire should be achieved in the present military encounter, the danger to peace will continue to be great and ever present unless we learn from the past and follow up such cease fire with the most determined effort to establish a permanent basis for peace in that area.

I should like to say to the Prime Minister that my colleagues and I fully support the policy he has just outlined, namely that the security council has an immediate duty to seek a cease fire and to adopt a resolution to that effect. It is obvious to us that for the resolution to have any influence at all it must avoid any attempt to try to name anyone as the aggressor, a task which in view of the fragmentary information in the hands of the security council is as impossible as it is undesirable.

It also seems clear, and I should like to underline this if I may, that the solution, if it is to be found at all, lies in the hands of the four big powers, the four permanent members of the security council whom the Prime Minister named. If no progress appears possible at the security council, then it seems to us that a four power summit meeting or other kind of meeting is essential. It is my hope, and from the Prime Minister's words he shares this view, that Canada and all other smaller powers should encourage the bigger powers to engage is such a meeting. It is also clear, and let me emphasize this as well, that the steps both at the security council and, if necessary, at the four power meeting, should be taken without any delay.

The right hon. Prime Minister has often said that in his experience a crisis frequently makes possible solutions which might not otherwise have been possible. I hope with all my heart that he is right in the present situation, and if he is right it may be very desirable indeed that a meeting of the four big powers consider not only the immediate conflagration in the Middle East but other threats to the peace of the world, such as the war in Viet Nam.

Mankind is already too long on the brink of global disaster. If there is any real and honourable desire on the part of the big powers to lay a foundation for a genuine peace, we urge that they grasp the occasion of the unhappy situation in the Middle East to cease big power manoeuvring, which has rendered the United Nations powerless, and seek a settlement of many of the threatening fronts.

However, I want to close by emphasizing that this more long range objective must not, of course, interfere with the immediate objective to achieve a cease fire in the Middle East. I emphasize also that this should be followed by a withdrawal of all forces engaged in the present conflict, by the introduction of an appropriate United Nations presence to avoid further conflict, and by energetic steps to find a permanent solution in that area.

Middle East Crisis

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, earlier this morning, the right hon. Prime Minister (Mr. Pearson) stated:

> I am greatly concerned at the news that hostilities have started in the Middle East. At this time, all efforts must be directed to a ceasefire. There is only one certain way to prevent the fighting from spreading and that is to end it.

I think that this is sincere advice, likely to restore peace in that part of the Middle East.

Mr. Speaker, we too, deeply regret the grave situation which is worsening and leading to a world war and we no longer know where to lay the blame.

The Prime Minister (Mr. Pearson) just said a minute ago that we do not know whether the Arabs or the state of Israel attacked first. It is not too certain, it is confusing. In any case, formal accusations indicate that Israel is guilty of aggression.

At a time when a resolution is about to be introduced, if it has not already been done, before the security council for an unconditional ceasefire, to be accepted by all nations, one great power says: We will agree provided the state of Israel is recognized as the aggressor. Objections are raised against the resolution immediately.

I sincerely believe that if all the truly responsible nations who really have world peace at heart would work hand in hand, they could, through this resolution, change the belligerent intentions of the countries concerned by exerting their influence to bring back to reason those who, today, would not balk at bringing on a world-wide conflagration which might lead to the end of the world through an atomic or nuclear war.

Mr. Speaker, the conflict we are witnessing today in the Middle East did not originate yesterday or last week, but it goes back several years.

The hon. member for York South (Mr. Lewis) said earlier that the conflict is due to the fact that the Arabs have always refused to recognize the existence of Israel. Now, the cause of the conflict goes back prior to that: from the time when Israel was created by the United Nations. As a matter of fact, the whole territory belonged to the Arabs who claim it was stolen from them. And it is since then that the Arabs have been trying to recover that territory which is the present state of Israel.

At any rate, since 1956, or since the second world war, there have been skirmishes in the

Middle East between Israel and Arab countries. Today, we are still facing the problem we discussed in this house in 1956.

The solution proposed by the Prime Minister is still the best. If we really want to achieve peace, let us first of all have a ceasefire, let us hold our positions, and then meet like men to hold round table discussions.

That is done at the security council. Canada plays its role and I congratulate the Prime Minister and the Secretary of State for External Affairs (Mr. Martin) for their objective attitude in trying to settle the conflict.

I do wish that Canada will always maintain its stand of calling upon nations to get together in an effort to find common grounds so as to avoid a third world war and to help Arabs understand that their right to live is respected in the world and to help Israelites realize that they themselves have a right to live in this world, which is everybody's world, as we say.

Now, Mr. Speaker, I sincerely believe that the stand taken by the Canadian government with regard to this resolution for a ceasefire is a excellent one. Let us continue discussing at the diplomatic level and in a human way, so that people may realize that their interest is not to kill one another and that the countries involved may realize the importance of discussions if there is to be maintained a peace that will serve all the world's nations at the same time.

• (3:00 p.m.)

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, the present situation is not going to be solved by a multitude of words, but I should just like to say that those in this party support the statement by the Prime Minister that the most important matter at the present time is to obtain a cease fire in the Middle East. I am sure everyone recognizes the fact that what happens in the Middle East will not just affect that immediate area but will have repercussions right across the world.

It seems to me there are two unfortunate object lessons here. One is the failure of the United Nations to resolve this problem before it reached its present proportions; the other is the blow that the concept of peace keeping has received through this unfortunate situation. I believe these two matters put together constitute a very serious situation as far as the world organization is concerned. So we support the idea that there must be a cease fire immediately, and of course coupled with that

would be the withdrawal of the various forces to their original positions.

It was stated a number of years ago that as long as the refugee problem in the Middle East remained unsolved it would continue to be a potential fuse capable of setting off a major conflict. I believe that is true, and one of the reasons we face this tragic situation today is that a political settlement was not achieved in regard to the refugee problem. In a measure this would have defused the whole situation. Without any more words said this afternoon, Mr. Speaker, I repeat that we support the Prime Minister's view in this connection.

TRADE

SILVER—ANNOUNCEMENT OF EXPORT PERMIT CONTROL

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, by order in council 1967-1122 of June 2, 1967, the export of silver coin, silver and silver alloy in wrought or unwrought forms, chemicals, salts and compounds of silver, and silver and silver alloy scrap, to all destinations including the United States was made subject to permit control effective immediately.

The international silver market has been in a disturbed state in the past two weeks following the action taken by the United States government in restricting its sales of silver to United States domestic requirements. The purpose of placing control on exports of Canadian silver is to protect Canadian supplies during this abnormal situation in the market. It is not the intention in administering the control to restrict the legitimate business of established and responsible exporters beyond the extent necessary to ensure adequate supply of silver for domestic use.

In order to avoid creating difficulty for travellers leaving Canada a general permit has been made available to the Department of National Revenue to permit release of export of silver coinage not exceeding $5 in amount in each case for the personal use of travellers leaving Canada.

FINANCE

AUTHORIZATION FOR ISSUE OF NICKEL COINS

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I wish to make an announcement to the house concerning the coinage, which is related to the announcement just made by my colleague the Minister of Trade and Commerce concerning restrictions on the export of silver.

27053—72½

Issue of Nickel Coins

I stated in a press release on December 23 last that it is the intention of the government to change the composition of our present silver coinage to pure nickel. As I pointed out at that time, silver is becoming too scarce to be used as coinage. I announced in December that the government planned to introduce an amendment to the Currency, Mint and Exchange Fund Act in order to authorize the issue of coins made of pure nickel for the 10 cent, 25 cent and 50 cent pieces.

As a result of the recent action of the United States government to confine the sales of silver to domestic users in the United States it is now necessary to conserve the supplies of silver in Canada for normal uses, including coinage. We have enough silver on hand in the mint to look after our anticipated requirements for coinage and medallions for some months. We felt it only prudent, however, in the present circumstances to provide the Royal Canadian Mint with the authority to commence the production of 10 cent and 25 cent pieces made of pure nickel so as to be ready to issue such nickel coins when appropriate. Accordingly the government has used the authority in the Currency, Mint and Exchange Fund Act that provides for a change in the coinage at a time when the metal being used becomes scarce.

An order in council has been passed and a formal proclamation is being made to authorize the issue of 10 cent and 25 cent coins made of pure nickel. Silver coins of these values will continue to be produced and issued by the mint until such time as the new nickel coins are to be put into circulation. The mint will also continue to supply the numismatic silver coin sets and medallions that it has undertaken to sell to the public and will continue to accept orders for coin sets in accordance with the earlier announcement.

I stated last December that our plans concerning the target date for the issue of nickel coins will take into account the special requirements of the automatic vending machine industry. Since the new nickel coinage will circulate side by side with the existing silver coinage for some years, it is desirable that automatic vending machines should be able to accept both silver and nickel coins of the same face value. It is our hope, therefore, that we will be able to relate the introduction of nickel coins to the installation of new coin selector devices.

Questions

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. H. E. Gray (Essex West) moved that the first report of the standing committee on finance, trade and economic affairs, presented to the house on Thursday, June 1, 1967, be concurred in.

Motion agreed to.

GOVERNMENT EMPLOYEES COMPENSATION ACT

AMENDMENTS RESPECTING EXTENSION OF COVERAGE

Hon. A. J. MacEachen (for the Minister of Labour) 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 Government Employees Compensation Act to provide coverage under the act to employees and prospective employees on training courses and to extend the coverage provided under the act to certain employees located outside Canada.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*PARKING POLICY FOR PUBLIC SERVANTS

Question No. 19—**Mr. Bell (Carleton):**

1. Has any action been taken by the government at any buildings to require public servants to pay a fee for parking of motor vehicles?

2. If so (a) at what buildings (b) what is the amount of the fee (c) how many public servants are involved?

3. What is government policy in respect to providing parking for public servants?

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): The answer is as follows: 1. Yes.

2 and 3. The policy, effective October 1, 1967, is that a charge of $20 a month be levied on each employee of the federal government using an indoor parking stall. The interdepartmental committee on parking is to advise on the application and administration of such parking charges. It will advise also on the rates and conditions which should apply to all other parking.

[Mr. Sharp.]

FISHERY DEVELOPMENT, GREAT SALMON RIVER, N.B.

Question No. 21—**Mr. Bell (Saint John-Albert):**

1. With respect to the fishery development at Great Salmon river in New Brunswick, each year, for the last ten years (a) what were the total moneys expended by the federal government (b) how many salmon were counted?

2. Was an agreement entered into by the federal government with respect to this development and, if so, what were the terms?

3. Were any precautions taken to ensure that said river would be open to the public?

Hon. H.-J. Robichaud (Minister of Fisheries):

1.	(a) Expenditure (in dollars)	(b) Salmon count
1956		248
1957	500	1,952
1958		1,171
1959		385
1960		1,789
1961		759
1962	3,000	2,060
1963	11,000	447*
1964	4,200	2,112
1965		4,021

(a) includes expenditures for stream improvement and construction of counting facilities—does not include costs for hatchery stocking and guardian protection

(b) includes escapement to the river and the angling catch

* angling catch only

2. No. The province has been interested in development of the area.

3. This is a provincial responsibility.

DEFENCE PRODUCTION CONTRACTS, ENAMEL AND HEATING LTD.

Question No. 34—**Mr. Coates:**

1. What is the amount of the contract for the fiscal year 1967-68, awarded to Enamel and Heating Products Limited for overhaul and repairs of aircraft components from the Department of Defence Production?

2. What was the amount of this contract for 1966-67, and what was the cost to the Department of Defence Production from this contract in 1966-67?

Hon. C. M. Drury (Minister of Industry): In so far as the Department of Defence Production is concerned: 1. $425,000.

2. The amount of the contract for 1966-67 was estimated to be $475,000, against which the fiscal billings for the year will total approximately $450,000.

PURCHASE OF FARMS UNDER ARDA

Question No. 66—**Mr. Gauthier:**

Under ARDA, how many farms have been purchased by the government?

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): The implementation of most of the ARDA projects being under provincial authority jurisdiction, the federal government does not maintain a record of how many farms have been purchased under ARDA.

FILM OF RECOMMISSIONED MINESWEEPERS

Question No. 80—**Mr. McCleave:**

Were three minesweepers recommissioned at Halifax during April and, if so (a) were T.V. films for screening across Canada taken of each or any of the said minesweepers (b) were some of the crew of HMCS *Skeena* secured to form a dummy crew for filming the event?

Hon. Léo Cadieux (Associate Minister of National Defence): Four minesweepers were commissioned at Halifax on 14 April 1967; (a) yes; (b) no, although some of the sailors who joined the newly commissioned ships may have been drafted from *Skeena* and wearing *Skeena* cap tallies pending receipt of new cap tallies.

LOSS OF LOBSTER TRAPS, NOVA SCOTIA

Question No. 82—**Mr. Forrestall:**

1. How many lobster traps were lost in the recent severe storms along Nova Scotia's eastern and south shores?

2. What is the dollar amount of this loss in terms of traps?

3. What was the dollar volume of the lobster industry in each of these districts last year (a) to the fishermen (b) to the industry?

4. What percentage of this loss is covered by insurance?

5. What action is planned by federal-provincial authorities to ease the serious losses to the lobster industry?

Hon. H.-J. Robichaud (Minister of Fisheries): 1. Fishermen reported 69,763 traps lost in the storm of April 28 and 29.

2. Approximately $348,640.

3. (a) District No. 4, $2,409,800; District No. 5, $727,900. (b) Not available.

4. Six fishermen carried lobster trap insurance under the fishermen's indemnity plan.

5. No representations concerning assistance have been received from the government of Nova Scotia.

PENSION TO GOVERNOR OR DEPUTY GOVERNOR, BANK OF CANADA

Question No. 83—**Mr. Bell (Carleton):**

1. Has any change been made in the by-laws of the Bank of Canada dealing with the provisions for pensions for the governor or a deputy governor?

2. If so (a) when (b) what is the nature and effect of such change?

3. Upon what bases or principles will pensions for such persons be calculated hereafter, and how do these bases or principles differ from those previously in force?

4. What persons are now in receipt of pension as a result of service as a governor or deputy governor of the Bank of Canada, and upon what bases or principles were each of their pensions determined?

Hon. Mitchell Sharp (Minister of Finance): 1, 2 and 3: Bill C-190, first session, twenty seventh parliament, an act to amend the Bank of Canada Act (1966-67, c.88), required that the bank's pension fund by-law provisions relating to the payment of a pension in respect of the retirement of the governor or deputy governor otherwise than by reason of age or disability be approved by the governor in council. After Bill C-190 received royal assent the board of directors of the bank enacted by-law 16 which extracts and consolidates those provisions of the bank's pension fund by-law (by-law 15) which relate to the retirement of the governor or deputy governor otherwise than by reason of age or disability; the only change was to eliminate a five year waiting period, which had no effect in respect of appointees from within the bank. By-law 16 was approved by the governor in council on April 18, 1967. This by-law, like by-law 15 and all other by-laws of the bank together with amendments thereto, is a matter of public record in the *Canada Gazette*.

4. Two persons are in receipt of pension as a result of service as governor or deputy governor of the bank. In each case the pension was determined on the basis of the published provisions of by-law 15 in effect at the date of retirement of the person concerned.

UNIFORMS FOR ARMED FORCES

Question No. 84—**Mr. Hales:**

1. How many uniforms of each of the forces, army, navy and air force, did the Department of National Defence have on hand as of March 31, 1967?

2. What was the inventory cost of the uniforms on hand for each force?

Questions

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

R.C.N.	Stock	Cost
Navy jumpers	17,429	$ 184,748.00
Navy trousers	12,638	116,902.00
White jumpers	13,746	65,981.00
White trousers	23,813	104,778.00
Khaki summer coats	4,266	121,154.00
Khaki summer trousers	4,401	36,088.00
	Total	$ 629,651.00
Army		
Khaki battledress coat	132,170	$1,856,195.00
Khaki battledress trousers	155,682	1,660,193.00
Khaki summer coats	28,599	827,083.00
Khaki summer trousers	34,780	298,656.00
	Total	$4,642,127.00
R.C.A.F.		
Blue coats	29,263	$ 897,500.00
Blue trousers	25,003	244,800.00
Blue work coats	72,709	2,076,570.00
Blue work trousers	80,483	833,804.00
Khaki summer coats	34,414	1,016,590.00
Khaki summer trousers	29,186	269,679.00
	Total	$5,338,943.00

CONSIDERATION OF TROIS-RIVIÈRES AS DESIGNATED AREA

Question No. 88—**Mr. Mongrain:**

What is the most recent date on which the officers of the federal department concerned have considered the region of Trois-Rivières, in order to determine whether it should be termed a designated area or not?

[*Translation*]

Hon. C. M. Drury (Minister of Industry): Officials of the Department of Industry reviewed the unemployment and employment situation in the Canada Manpower Centre area of Trois-Rivières in the month of April 1967 during a review of the Area Development Program. It was found that the C.M.C. area of Trois-Rivières did not meet the prescribed conditions of high unemployment, employment decline and low income in order to become a designated area.

[*English*]

PROMOTIONAL EXAMINATIONS FOR OFFICERS, ARMED FORCES

Question No. 95—**Mr. Dinsdale:**

1. Have promotional examinations for officers been discontinued in Canada's regular forces?

2. If so, when was this action taken and for what reasons was it taken?

3. What is the present method and what are the criteria for promotion in Canada's armed forces?

Hon. Léo Cadieux (Associate Minister of National Defence): In the past, army officers were required to pass both theoretical and practical examinations to qualify for captain and major ranks. R.C.A.F. short service officers, not regular officers, had to pass theoretical examinations only, before promotion to flight lieutenant. Navy officers had no promotion examinations requirement other than to obtain a watchkeeping certificate before promotion to navy lieutenant. These inconsistencies in the promotion prerequisites of the three services have created serious inequities among officers. As a result, army and air force theoretical examinations are being terminated following completion of the 1967 series. The new common policy will permit all officers to be assessed by an annual promotion board based on: (a) merit and potential for more senior rank; (b) the serving of at least minimum specified time in rank to ensure experience and knowledge have been gained for the next higher rank, and to provide time for proper assessment of suitability for promotion; (c) recommendations of senior supervising officers.

DOMINION BUREAU OF STATISTICS—BUILDING ALTERATIONS

Question No. 111—**Mr. Bell (Carleton):**

1. Are alterations and additions being undertaken at the Dominion Bureau of Statistics building?

2. If so, what is the nature and purpose of such alterations and additions?

3. What is the estimated cost of such alterations and additions?

4. What additional space, expressed in square feet or additional facility, will be provided?

Hon. G. J. McIlraith (Minister of Public Works): 1. Alterations are being undertaken at Dominion Bureau of Statistics building but no additions are being undertaken.

2. The alteration consists of the installation of air conditioning equipment in the mechanical system in order to provide better working conditions.

3. A contract was awarded for this work on May 4, 1967 in the amount of $68,670.

4. No additional space will be provided.

OTTAWA, ONT.—CENTRAL HEATING PLANT

Question No. 112—**Mr. Bell (Carleton):**

1. When is it anticipated that the improvements to the central heating plant on Cliff street, Ottawa, will be completed?

2. What, in detail, is the nature of such improvements?

3. What is the estimated total cost of such improvements?

Hon. G. J. McIlraith (Minister of Public Works): 1. The completion of this project is scheduled for June 1969.

2. The improvements are carried out in five phases. The nature of the work involved in each phase is as follows:

Phase I: Renovation and extension of the old distribution system in the east and south tunnels. This involved the removal of approximately 13,000 lineal feet of old piping and the installation of approximately 18,000 lineal feet of new pipe. This phase is now completed.

Phase II: The construction of approximately 2,000 lineal feet of service tunnel under parliament hill and Confederation square. This phase is also completed.

Phase III: The construction of the central plant. This includes the installation of two refrigeration machines, one to serve as an auxiliary. It also includes chilled water and cooling water pump, water intake and treatment works, sub-station, switchgear, diesel generator set, plant piping, instrumentation, telemetering, control room, plant services, maintenance and locker facilities. Construction will start in the near future.

Phase IV: This part involves the construction of approximately 20,000 lineal feet of piping for the distribution system in the National Arts Centre, in the future National Museum, and across the Rideau canal, with a terminal in the Chateau Laurier hotel. This phase is under construction.

Phase V: This phase, which is now completed, consisted of structural alterations to the Cliff street plant, involving gutting the middle section of the building, removal of coal and ash handling facilities, building a new roof suitable for parking over the gutted area of approximately 55 feet by 130 feet previously occupied by six old steam boilers which have been removed to provide space for the new refrigeration plant.

3. The total estimated cost of the improvements is $6,378,856.

OTTAWA, ONT.—POLICE SERVICES BUILDING

Question No. 113—**Mr. Bell (Carleton):**

1. In what location in the city of Ottawa will the building for the national police services, Royal Canadian Mounted Police, be erected?

2. When will the building be (a) commenced (b) completed?

3. What is the estimate of the total cost of the building?

4. How many square feet of space will the building contain?

Hon. G. J. McIlraith (Minister of Public Works): 1. On federal property immediately adjoining R.C.M.P. headquarters, at Queensway and Alta Vista drive.

2. (a) It is intended to start construction in the summer of 1968; (b) spring 1970.

3. It is not customary to reveal the estimated cost before tenders are received.

4. Approximately 147,000 square feet gross.

H.M.C. DOCKYARD TRAFFIC CONTROL

Question No. 129—**Mr. Forrestall:**

1. Is it the intention of the Department of National Defence to turn over to civil authority for administration the control of traffic and/or parking at H.M.C. Dockyard, Halifax?

2. If so, is this by private agreement with the city of Halifax?

3. For what reason is this step being taken?

4. Does it involve the loss of employment to any person?

5. When would such a change take place?

Hon. Léo Cadieux (Associate Minister of National Defence): 1. No.

2, 3, 4 and 5. Not applicable.

*PROPERTY FIRES

Question No. 135—**Mr. Mather:**

1. What was the total number of property fires in Canada in 1964 and in 1965?

2. What percentage of these fires was attributable to smoking?

Inquiries of the Ministry

3. What was the estimated loss of life in such smoking-caused fires?
4. What was the estimated financial loss of such smoking-caused fires?

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): The answer is as follows:

	1964	1965
1. Total number of property fires	75,306	68,432
2. Percentage known to be attributable to smoking	33%	35%
3. Loss of life in fires known to be caused by smoking	52	65
4. Financial loss due to fires known to be caused by smoking	$10,275,193	$12,135,568

ATLANTIC PROVINCES UNEMPLOYED

Question No. 146—**Mr. Crossman:**

What was the percentage of the labour force unemployed in the Atlantic provinces for the three months ending in April of each year from 1961 to 1967 inclusive?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): The figures are as follows:

	February	March	April
1961	18.3	18.3	17.5
1962	16.5	17.1	15.9
1963	15.2	15.6	14.4
1964	12.9	13.2	12.3
1965	13.3	12.5	12.8
1966	10.9	10.5	8.6
1967	10.4	10.6	9.9

NATIONAL DEFENCE EXPENDITURES BY PROVINCES

Question No. 182—**Mr. Allard:**

During the fiscal years 1966 and 1967, excluding sums devoted to armament programs, how much did the Department of National Defence spend in each province, on salaries for the members of the armed forces and civilian personnel, travelling expenses, food supplies, heating, clothing and similar items?

[*Translation*]

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

[*English*]

UNITED NATIONS

CANADIAN SUPPORT FOR RECOMMENDATION RESPECTING MIDDLE EAST

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question which I should like to direct to the right hon. Prime Minister. Is the government prepared to actively support any recommendation that may be made by the security council or the general assembly of the United Nations concerning the present crisis and conflict in the Near East?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we will certainly discharge the commitments we undertook when we signed the charter, and those commitments involve decisions of the security council.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister one further question regarding the crisis in the Middle East. Is the Prime Minister himself considering going to New York to participate in the security council efforts to achieve a cease fire?

Mr. Pearson: Mr. Speaker, I think that would depend on circumstances. We have an ambassador acting very effectively on the council. If it were required to have the minister responsible, the minister of external affairs, to supplement his efforts by taking the Canadian seat, I know he would be glad to go. If it came to the point that I could be of any value at the security council, I would be quite happy to go, but I do not think that situation has arisen and I am not sure that it ever will arise.

CANADIAN MEMBERS OF EMERGENCY FORCE AND SUPERVISORY ORGANIZATION

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, it may be worth having on record an answer from the government as to whether

one is right in assuming that all Canadian members of UNEF have been withdrawn from any area of danger. I should also like to ask the Prime Minister or the Secretary of State for External Affairs where any of our personnel in the supervisory organization are now to be found.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I should like to answer the question. In so far as the United Nations emergency force is concerned, all Canadian members of that force were withdrawn and almost all of them are in Canada. A very small number were allowed to remain in Europe or to come back through Europe, taking their leave there and returning to this country in about two weeks time.

In so far as UNTSO is concerned, as the Prime Minister indicated there are 20 officers who are members of the United Nations truce supervisory organization. Their deployment comes under the control of the commander of the supervisory organization; therefore we have no way of knowing from time to time exactly where they are. In most instances a very small number would be in Jerusalem at the headquarters, but most of them would be somewhere along the borders which they are charged with supervising. Therefore I cannot give the hon. member a specific answer as to where each person would be at this particular moment, but we have no reports of any of them being in any imminent danger.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we have been advised today of the whereabouts of Canadian armed forces personnel who have been serving in the Middle East, but I am sure many of us would be interested in knowing just what plans are under way to provide for the safety of civilian personnel in those areas.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, about two weeks ago instructions were sent to all Canadian heads of missions to advise Canadians in countries of the Middle East and who were not on urgent business to make arrangements to leave. In addition, arrangements were made for the departure of dependants of Canadian officials at our missions and of some staff unless such departure would interfere with the dispatch of Canadian government business in the territories concerned.

Arrangements are being discussed with charter air flight companies for the possible transportation of Canadians from dangerous areas. This will depend, of course, on whether planes can fly into particular countries. We have now been advised it is not possible to fly into the United Arab Republic, but other countries may be open. In any event, all possible steps are being taken to protect Canadian civilians who may still be in the countries involved.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a supplementary question. Have the wives and dependants of the officials of the Department of External Affairs and other government employees in Israel and Egypt actually been evacuated, or are they still there?

Mr. Martin (Essex East): Some have left and some are still there.

Hon. J. A. MacLean (Queens): A supplementary question. Would the Minister of National Defence make it clear that his reply to a question a few moments ago with regard to the United Nations emergency force, and so on, applied only to Canadians? He did not make that clear.

Mr. Hellyer: Yes, Mr. Speaker, it applied only to Canadians. As the Prime Minister indicated, there were some casualties today in other contingents of the United Nations emergency force.

[*Later:*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I wish to direct a question to the Minister of National Defence. In view of the report that the United Nations truce supervisory organization headquarters in Jerusalem has been overrun, has a secondary headquarters been established in this emergency?

Mr. Hellyer: Mr. Speaker, I am afraid I am not in a position to answer that question. The information available about the subject today is not sufficiently clear for me to be in a position to reply at this time.

[*Translation*]

FINANCE

INQUIRY AS TO ISSUE OF NEW NICKEL COINS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is addressed to the Minister of Finance and Receiver General who announced earlier that new 10 cent and 25 cent nickel pieces would be put in circulation instead of silver pieces.

Inquiries of the Ministry

Since nickel is lighter than silver, does the minister intend to order more nickel pieces than there are silver pieces now in circulation?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, we shall issue as much coinage as is necessary to discharge the purposes for which coinage is used.

[*Translation*]

Mr. Caouette: Mr. Speaker, I would like to put a supplementary question to the Minister of Finance and Receiver General.

Can he tell us if the 25 cent nickel pieces will be worth exactly the same as the silver pieces?

[*English*]

Mr. Sharp: Yes, Mr. Speaker, they will command 25 cents worth of merchandise, just as the silver coins. Of course there will be a somewhat greater seignorage or profit to the government.

GRAIN

WHEAT—INQUIRY AS TO POSITION UNDER OLD AGREEMENT

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce under whose jurisdiction falls the Canadian Wheat Board. Can the minister inform the house what is the status of the old international wheat agreement in the light of the pending new Geneva agreement? Will there be any changes, and if so what will they be?

Mr. Speaker: I wonder whether the hon. member is now asking for a statement which might more properly be made on motions.

Mr. Rapp: Mr. Speaker, this is a very important question and should be answered right now, for the simple reason that the farmers in the west have planted their wheat and are waiting to know where they stand in light of the new wheat agreement.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I think I can answer this very briefly. On June 1 our ambassador in Washington did sign on behalf of the government of Canada a protocol extending the administrative articles of the 1962 wheat agreement until July 31, 1968, with provision for earlier termination in the event of a new agreement covering wheat coming into force before that date. This action was recommended by member governments of the international wheat council at its 48th session last April.

[*Later:*]

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce related to that asked by the hon. member for Humboldt-Melfort-Tisdale. Would the minister not consider issuing a statement by way of clarification later inasmuch as many farmers are under the impression that if they withhold their sales this year they will receive a higher price next year? If the wheat board asking price continues at this year's level there will not be an increase and as a result the final payment will be reduced by the amount of the extra initial payment.

Mr. Winters: Mr. Speaker, the hon. member is really asking two questions. The first seems to me to relate to the price of wheat which is determined by the conditions of the market place, by supply and demand. The wheat agreement really establishes the maximum and the minimum prices. The hon. member's other question related to the initial price. Of course the total price paid is made up of the initial payment and the final payment. The larger the initial payment, the less will be the final payment, to make up the total price.

NATIONAL DISASTERS

SUGGESTED ESTABLISHMENT OF CANADIAN FUND

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister about a matter in which I am very interested indeed, as are many other Canadians.

In view of the recent Fernie disaster, the possibility of disaster to the residents of Sioux Lookout and Chapleau and other disasters, has the government given consideration to the need for a Canadian disaster fund after the fashion of the bill introduced by the member for Kootenay West, that will provide for a Canada disaster fund to which contributions can be made in advance by federal and provincial governments and by individuals, companies, and institutions for assistance where the losses are considered of national scope?

Mr. Speaker: Order. I would think this is a question that requires a much too general answer. I suggest to the hon. member that it can hardly be asked at this time.

Mr. Herridge: With all due respect, Mr. Speaker, I think the answer could simply be yes or no.

SPORTS

INQUIRY AS TO GRANT TO AMATEUR HOCKEY ASSOCIATION

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to address a question to the minister of health and welfare. In view of the fact that the National Hockey League recently announced a grant of $250,000 to the Canadian Amateur Hockey Association, will the minister tell the house whether the government, as has been reported in some newspapers, plans to discontinue its grants to the amateur hockey association?

Mr. Speaker: Order. I suggest to the hon. gentleman that he put the question on the order paper.

Mr. Rynard: Mr. Speaker, this is urgent, in that the National Hockey League is being doubled in size.

Mr. Speaker: The question might be debated at the time of adjournment.

INDUSTRY

SYDNEY, N.S.—AVAILABILITY OF EXPORT CREDITS TO DOSCO PLANT

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Prime Minister. Would the Prime Minister give the assurance that export credits will be and are available to the Sydney DOSCO works in order to obtain potential orders?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to discuss this with the minister responsible, but I feel quite certain that the company concerned would have access to export credits in exactly the same way as any other corporation.

Mr. Winters: They always have.

Mr. Robert Muir (Cape Breton North and Victoria): A supplementary question, Mr. Speaker. May I ask the Acting Minister of Industry whether any representations have been made by Mr. Drury, the president of DOSCO, for a hearing with his department —that is, the Department of Industry—regarding the situation at the Sydney steel plant and the large scale lay-offs there.

Hon. G. J. McIlraith (Acting Minister of Industry): Mr. Speaker, I should like to take that question as notice.

Mr. MacInnis (Cape Breton South): Mr Speaker, a further supplementary question which I direct to the Minister of Trade and Commerce, who seems to have considerable knowledge of this subject. I would ask him whether he is aware of any delays at the moment which are preventing potential orders from being filled.

Hon. Robert Winters (Minister of Trade and Commerce): No, Mr. Speaker, there are no delays. We have always processed requests from DOSCO expeditiously, and as I recall at least one request went through during the last few days.

Mr. Muir (Cape Breton North and Victoria): A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. We might return to this subject after we have given other members an opportunity to ask questions.

[*Later:*]

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Minister of Trade and Commerce. In view of the serious situation confronting the employees of the DOSCO steel plant in Sydney as a result of the drastic cut-backs and lay-offs, may I ask whether the minister or his officials, either in Canada or abroad, are making efforts to try to secure overseas orders under the export credits legislation to assist this plant and most important, its employees?

Mr. Winters: Mr. Speaker, the hon. member knows that the initiative must come from the company itself. We are in the midst now of a new export drive known as "Export Operation 1967", and the totality of our exports has gone up satisfactorily. This has in part been made possible through the use of the export credit facilities, and DOSCO has been taking full advantage of them.

Mr. Muir (Cape Breton North and Victoria): A supplementary question, Mr. Speaker. In view of the minister's statement, may I ask him whether he is suggesting that Mr. Drury the president of DOSCO, and the company are not trying to secure orders on behalf of the company and its people?

Mr. Speaker: Order, please.

Inquiries of the Ministry

Mr. MacInnis (Cape Breton South): Mr. Speaker, may I direct a supplementary question to the Minister of Trade and Commerce. Since he indicated that a recent order or agreement had been signed within the last few days could he also indicate with what country it was signed and what is the tonnage or dollar value involved?

Mr. Winters: I cannot at the moment, Mr. Speaker, but I shall get that information. It has passed over my desk. Whether it has been finally approved by the government I am not sure.

Mr. MacInnis (Cape Breton South): A further supplementary question, Mr. Speaker. Does the minister not realize, as most people in Cape Breton do, that the initiative really belongs to the company and that what the Liberals of Nova Scotia are saying is all wrong?

Mr. Speaker: Order, please.

HEALTH AND WELFARE

TELEVISION ADVERTISING PROMOTING CIGARETTE SALES

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, may I ask the Minister of National Health and Welfare a question. Having in mind the very important ruling made over the week end by the United States federal trade commission to the effect that television stations carrying advertisements promoting cigarette sales must in future also carry a caution against such sales by bringing in material about cigarette smoking and disease, is the minister giving consideration to comparable legislation in this field in Canada?

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, we are not giving consideration to comparable legislation, but we do have under consideration steps that might be taken with respect to the hazards involved in cigarette smoking.

[*Translation*]

PUBLIC BUILDINGS

REPORTED CONSTRUCTION PROPOSED FOR HULL DISTRICT

On the orders of the day:

Mr. Gaston Isabelle (Gatineau): Mr. Speaker, I have a question for the Minister of Public Works; in his absence, perhaps his parliamentary secretary might answer. This is a department for which I have great regard, Mr. Speaker.

Is the minister in a position to tell us whether the rumours to the effect that federal buildings will be built very shortly in the Hull area are true? I know that the Minister of Public Works is anxious to give me an answer.

Mr. Speaker: Order. The hon. member might put his question on the order paper.

Mr. Isabelle: At ten o'clock, Mr. Speaker.

[*English*]

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—APPOINTMENT OF COLONEL CHURCHILL

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Minister of Public Works but in his absence and that of the acting minister I direct it to the parliamentary secretary. Might I begin by injecting my pleasurable response to the news report of Colonel Churchill's appointment to an important position vis-à-vis the Northumberland crossing. Can the minister say when Colonel Churchill will take administrative responsibility for this project, and can the minister indicate the terms of reference of Colonel Churchill or make public the instrument of his appointment?

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, this information can be made available. I will bring the matter to the attention of the minister, and he will see to it that a full answer is made.

EXTERNAL AFFAIRS

NATO—REQUEST FOR REPORT ON MEETING OF COUNCIL

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Can he give the house a report on the purpose and conclusions of the meeting of the NATO council, which it is reported was held earlier today to consider the Middle East situation?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, this was a meeting of the permanent ambassadors of the 15 NATO countries. In conformity with established practice, any situation that in any way involves a threat to peace or a violation of

peace is a matter of concern to NATO members. The use of this forum for discussions, which as my hon. friend knows are private, gives the various countries an opportunity to compare assessments with the foreign offices of the countries represented on the council, and this was done. The meeting has not concluded.

EXPO '67

INQUIRY AS TO POSSIBLE EFFECT OF MIDDLE EAST DEVELOPMENTS

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is for the Secretary of State for External Affairs. Have these melancholy events in the mid-East since the week end began given any indication of affecting Expo; for example, the participation in Expo by other countries?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I know of only one country that has taken action, not because of the events of today but because of alleged events of several days ago.

LABOUR RELATIONS

HALIFAX—STRIKE AT HARBOURS BOARD GRAIN ELEVATOR

On the orders of the day:

Mr. Richard Cashin (St. John's West): Mr. Speaker, I wish to direct a question to the Registrar General in his capacity as Acting Minister of Transport. Is the minister aware that the management of the National Harbours Board in Halifax are requiring their office employees to carry out the normal functions of workers who are now on strike at the National Harbours Board grain elevator in Halifax? Will the minister investigate the situation and see what further steps can be taken to settle this dispute?

Hon. John N. Turner (Acting Minister of Transport): Mr. Speaker, we have investigated this incident in Halifax. On May 25 approximately 150 employees walked off the job as the result of a dispute relating to the hiring of one employee. As a result of urgent appeals from the agricultural sector of the maritimes, including the Nova Scotia Federation of Agriculture and officials of the government of Nova Scotia, regarding the problem of supplying domestic feed to farmers, employees of the National Harbours Board, not members of the local union, have been moving or allowing grain to move over the week end. The National Harbours Board has suggested a compromise solution which so far has not been accepted. Everything at the moment is still peaceful.

AIR CANADA

COMPLAINT RESPECTING TRANSPORTATION TO WESTERN CANADA

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Acting Minister of Transport who, from what I have been reading in *Weekend* magazine, is interested in the young people of this country. I wish he would take an interest in the older people of this country and talk to Air Canada about the lack of adequate transportation to western Canada at the present time. We are finding it difficult to obtain seats on aircraft. If the minister, with his usual energy and enthusiasm, can deal with this problem, it will advance the cause of Canada very considerably.

Hon. John N. Turner (Acting Minister of Transport): Mr. Speaker, I believe that on Air Canada people get seats in order of seniority. I will pass on that request to Air Canada.

FISHERIES

NOVA SCOTIA—REQUEST FOR EXTENSION OF LOBSTER FISHING SEASON

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is to the Minister of Fisheries. Owing to the late spring start and the bad weather conditions in district 7B, I wonder how soon the minister will be able to inform us of an extended season for that lobster fishing area.

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I believe I made it very clear in the house on two or three different occasions that no decision could be taken on an extension until the season was well advanced so that we could assess the catch and compare it with the catch of previous years. I can assure hon. members that at least ten days before the normal closing of the season an announcement will be made on the question raised by the hon. member.

Inquiries of the Ministry

NATIONAL DEFENCE

HALIFAX—NEGOTIATIONS WITH MOTOR TRANSPORT UNION

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is to the Associate Minister of National Defence. In view of the peaceful demonstrations over the week end outside armed forces establishments in the Halifax and Dartmouth area by members of the motor transport, labour and yardcraft local union 273, would the department step up its negotiations with this union which to date has been quite patient in its argument over wages and working conditions?

Hon. Léo Cadieux (Associate Minister of National Defence): Mr. Speaker, we shall continue to negotiate as usual with these people.

Mr. McCleave: When the minister says "as usual"—

Mr. Speaker: Order, please.

Mr. McCleave: Ten o'clock, Mr. Speaker.

PENITENTIARIES

INQUIRY AS TO RE-ESTABLISHMENT OF JOINT COMMITTEE

On the orders of the day:

Mr. Harold Winch (Vancouver East): Mr. Speaker, may I direct a question to the Solicitor General. Does he intend to have the joint committee on penitentiaries re-established? I understand that the minister addressed a letter to the former co-chairman with respect to the reactions of the minister's department to the recommendations which were made last year.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I am sure the hon. member will be pleased to learn that I addressed the same letter to all members of that committee. I hope the committee will be reconstituted, as I found it most helpful in considering penitentiary matters.

EXTERNAL AFFAIRS

NIGERIA—INQUIRY AS TO SAFETY OF CANADIANS

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, in the light of continuous and disturbing reports from our commonwealth colleague, Nigeria, has the Secretary of State for External Affairs information about the situation there in general and the lot and condition of Canadians in particular?

Hon. Paul Martin (Secretary of State for External Affairs): As I indicated on Friday, Mr. Speaker, every precaution has been taken, through Canadian action or in consort with other countries, to provide for the safety of Canadians.

SUPPLY

The house in committee of supply, Mr. Batten in the chair.

DEPARTMENT OF FISHERIES

1. Department administration, including grants and contributions as detailed in the estimates, $1,966,000.

The Chairman: Order, please. House again in committee of supply, estimates of the Department of Fisheries for the fiscal year ending March 31, 1968. Vote No. 1 is to be found at page 160 of the blue book of estimates, with the details thereof listed on page 161. Shall vote 1 carry?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Chairman, in presenting the estimates of the Department of Fisheries I do not wish to take up too much of the time of the committee. As hon. members know, I covered the field quite extensively last year. Furthermore, the estimates of the department were fully discussed by the standing committee. I should like to make some general and brief remarks.

• (3:40 p.m.)

The development of the fishing industry in Canada during the past few years has been unprecedented. This government, the provincial governments and the industry have coordinated their efforts in a remarkable manner since our joint development program went into effect over three years ago. Just how remarkable is shown in the increases in the size and value of landings from 1963 to 1966. In that period landings rose by 11 per cent and their value by 35 per cent. Exports went up by 27 per cent, and the total marketed value of all fish products sold both in Canada and in the 76 countries to which we export them increased by 31 per cent. Last year's exports, with a value of more than $219 million, showed an increase for the fifth consecutive year and this year's sales to the United States, our biggest customer, are expected to reach a new record.

In departmental operations the Fisheries Development Act, introduced last year, has

been of great importance. It has allowed us to introduce new measures to facilitate progress and to extend our development activities which now reach into most sectors of the primary and processing industries. One of these I should like to mention particularly provides financial assistance for the construction or modification of cold storage facilities for frozen fishery products and for bait. This assistance is provided under the new fishery products storage regulations which are designed to improve the quality of frozen fishery products. We considered they were necessary because of the increased landings being made, especially on the Atlantic coast. This year applications will be considered for assistance toward the construction of new cold storage facilities and the installation of refrigeration equipment, as well as for modification of existing premises. When grants are approved, they may be made to cover up to one third of the building and equipment but will not exceed $150,000 in any one case.

We are involved in a great many industrial development projects ourselves, as well as with the provinces, in order to improve the efficiency of our fishing vessels, catching gear and processing plants. To meet the intensive competition from other countries we must have the most modern equipment available and we must also conduct training programs so that skilled manpower will be available to allow us to meet the challenge of the era of automation.

In the end product of our fisheries, nothing is more vital than quality control and improvement and through our revised fish inspection regulations and canned fish and shellfish inspection regulations we shall be able to implement a national inspection program designed to safeguard the quality of fish products at all stages. There is now provision for compulsory registration of processing plants, including canneries, which prepare fish and shellfish for sale outside the province of origin. Since 1965 registration requirements have established standards for plant construction, equipment and sanitation, and these are now being extended to canneries and salt fish plants. There will also be minimum standards for fishing boats, refrigerated transport and cold storages, and for closer control over the use of quality designations.

I should also mention that last year the department inaugurated the retail inspection of fishery products on an experimental basis in Montreal. This brought a very favourable response from store managers and we believe an expansion of this type of inspection to other cities is justified.

In order to make available to industry the highest level of professional and technical advice for dealing with quality problems of all kinds, we are sponsoring the university training of inspectors toward a degree in science.

Canada's reputation as a producer of high quality fishery products is world wide, evidenced by the fact that we have been invited to be the host nation for an international meeting of fish inspection and quality control to be held under the auspices of F.A.O. in Halifax in June, 1969.

In the development of the fisheries we have many projects under way from coast to coast to conserve and expand resources where this is possible. Two very large programs which involve ingenious and complex engineering accomplishments in British Columbia are the Big Qualicum projects to enhance the environment of the Pacific salmon, and the construction of a system of spawning channels in the Babine river system which, when completed, will allow for an increase of 100 million sockeye salmon fry.

We have a long-range program to protect and restore runs of salmon in the Atlantic region where, as in other parts of the country, diversion of water for industrial purposes threatens the existence of a natural resource.

The vote for conservation and protection covers our usual operations, the maintenance of vessels in the department's fleet and of other establishments. Moneys are requested this year to start construction of a new, 150-foot protection vessel and for the replacement of smaller vessels in the 60- to 65-foot class.

A program in which the federal government is involved, along with the government of Newfoundland, is one which hon. members have probably heard of as the resettlement program. This has a double purpose, to provide a better and fuller life for many fishing families and to take greater advantage of the fishery resource of the northwest Atlantic.

The importance of international co-operation in the management of fisheries has long been recognized by Canada, and we hope soon to be signatory to nine international conventions. We already participate in seven. We have now applied for membership in the Inter-American Tropical Tuna Commission, and we are one of 18 countries which are working out details of a convention to deal with the conduct of fishing vessels in the

north Atlantic. The purpose of this is to increase safety at sea and prevent damage to fishing gear, especially on the crowded fishing grounds where fishing vessels of many nations operate.

The work of the Fisheries Research Board of Canada is invaluable. The results of its investigations have been applied in many ways, with great advantage to the resource and the industry. They have also made it possible for this country to more than hold its own in various internal fisheries management programs. The need for even greater research efforts is shown in our plans for expansion in several areas. There is to be a $7 million laboratory for the newly established Freshwater Institute in Winnipeg, a new research board laboratory building in St. John's, increased accommodation at the board's laboratories at Dartmouth, Halifax and Nanaimo, and a new water laboratory at West Vancouver. The board's reputation throughout the world is unmatched.

• (3:50 p.m.)

I have touched only briefly on some of the more important aspects of the activities of my department so that in considering the estimates you will be acquainted with the scope of our efforts and the direction we are taking in our contribution to the orderly expansion of the fishing industry.

Recently hon. members questioned me in the house about a problem connected with a logging drive on the Stellako river in British Columbia. In recent weeks and months I have had extensive correspondence with the responsible provincial minister and, as requested by the hon. member for Skeena, I have asked that I be permitted to table this correspondence which I am sure will make clear in the minds of hon. members the problems we are facing.

I have taken the position that we should make multiple use of our waters, taking into consideration the interest of the forest industry as well as that of the fishing industry. On Friday last I received notification from the provincial minister that he was prepared to accept my proposal that a limited logging drive, controlled and supervised by both the federal and provincial authorities, be allowed on the Stellako river, with measures taken to prevent any damage to the spawning grounds. I understand that log drive is almost ready to start and will be completed probably by the middle of this month.

In conclusion, Mr. Chairman, a decision will be taken probably within the next few

[Mr. Robichaud.]

weeks on the implementation of the straight base line system. On May 7 at the annual meeting of the Fisheries Council in Montreal I stated that an announcement to this effect would be made in the house by my colleague, the Secretary of State for External Affairs, who is responsible for the administration of the act. In view of the world situation and the strain placed on my colleague during the last few weeks I am sure hon. members will realize his announcement may have to be delayed for a matter of days. I am sure hon. members will understand the position.

I was also questioned in the house by hon. members from Prince Edward Island regarding subsidies on the construction of fishing vessels. I assured them that the matter would be examined again. Early in May we made a special survey. The fishermen's loan board of the province took part in the survey. As a result, of the 96 applications which we received from that province 51 have been approved, four are still doubtful and will require further study, and the balance of 41 have been rejected, a decision concurred in by the loan board, because those applications did not meet the criteria established by the federal government and the criteria established by the provincial loan board.

I am prepared to answer later any questions which hon. members may pose.

Mr. MacLean (Queen's): Mr. Chairman, on this occasion it is my intention to take a leaf from the minister's book and not speak extensively on the estimates of his department. The estimates of the Department of Fisheries for the preceding fiscal year were thoroughly examined less than a year ago. In fact they were referred to the standing committee on fisheries where the operations and the policies of the department were given a searching scrutiny. However, a number of members from this party will be asking specific questions and making brief statements. The notable thing about this year's estimates is that they are larger than ever before. I do not say this as a criticism. They are about $5 million more than they were last year but I believe this is justified.

The importance of the Department of Fisheries has been recognized over the years by the increasing importance of the fishing industry in our own economy and in the economy of the world. In 1952 total expenditures by the Department of Fisheries were about $9 million. Five years later, in 1957, they had increased to $13 million, and five years later, in 1962, had almost doubled to $24

million. In the last five years they have almost doubled again to reach a total of $47 million. This, of course, is not a true picture because the value of the dollar has depreciated considerably over those 15 years. But even taking constant dollars, expenditures on fisheries have increased a lot and, as I have said, I think this is justified.

We are in a phase of our development when the fishing industry is becoming more and more important. This is just another indication that the world is experiencing a population explosion. As population increases the demand for food also increases, and the demand is most noticeable with respect to protein foods. They are the scarcest. They are foods which are produced from the sea, and of course from other sources. In one sense the fishing industry represents the recovery from the sea of the proteins which have been lost from the land over milleniums of time. There is little nitrogen, the basic building block of protein, fixed in the sea. Nitrogen is fixed on land by plants and to some extent by lightning, and it is used to manufacture chemical fertilizer. The recovery of these protein foods from the sea is becoming an increasingly important factor in the diet of human beings, and the demand for these proteins to meet the needs of a hungry world will increase as time goes on.

With respect to Canada as a fishing nation I would point out that until very recently 95 per cent of the fish caught throughout the world were caught in the northern hemisphere. Recently there have been great fishing developments in parts of the southern hemisphere because of efforts by the Food and Agriculture Organization and by some southern countries such as Peru on their own initiative.

• (4:00 p.m.)

In 1948, almost 20 years ago now, Canada ranked sixth among the ten leading fishing nations of the world. By 1965 she had slipped to tenth place principally because of the much more rapid growth in the fish landings of other countries. As an exporter of fish and fisheries' products, in 1964 Canada stood seventh in volume but second in value, partly reflecting the relatively higher value of the species being shipped and partly because of the further degree of processing and packaging in the Canadian industry. This is a very brief summary of Canada's relative position, but it brings out the point that although Canada is only the tenth fishing nation in the world now in respect of volume it is the second in respect of export value. We should realize this means that Canada's position as a fishing nation is different from the position of many of the nations of the world which fish extensively. Whether it is economical or not in our terms, they must fish in order to feed their own population. We have to compete, however, in world markets for the same of our fish products and therefore we must be highly productive as a fishing nation in order to compete successfully.

In order to be more efficient there must be a greater tonnage of fish produced per man hour and this means there must be a very great increased investment in the industry. This requires the use of large-scale processing plants, larger trawlers and other types of fishing vessels which represent a very large capital investment. It means an investment for the freezing, processing and transportation of this product to world markets. Investment in the fishing industry has been going up very rapidly in the last few years. The investment is going up and must go up more rapidly than the increase in employment because the only way we can compete properly in world markets is by lowering the labour content in the product.

In many cases, as the figures indicate, our traditional fishing industry is engaged in the production of what are almost luxury products and in some cases are luxury or high-cost products where the element of labour is not so important. In this regard I might mention the lobster fishery, the salmon fishery, the oyster fishery and that type of operation. There is also the traditional groundfishing industry which has had a great deal of capital poured into it in the last number of years. This industry has increased tremendously and is important especially to Canada's east coast.

The most recent development of all, of course, is the recognition of the fact that of all the species of fish harvested perhaps the most important in world terms is the herring. Herring is the greatest available producer of protein for use by man and animal. There has been a tremendous development on the east coast in this regard. On the east coast in the last year or so ten new herring processing plants have commenced production. I believe they have a combined total capacity in the order of 6,000 tons of herring a day. This is a tremendous amount of fish.

The herring are being processed into herring oil and fish meal. The fish meal is produced almost entirely as a protein supplement for animal feeds in order to bring up the protein content in these feeds. The use of this protein for human consumption is not direct.

The protein is used in feed for animals and the animals in turn are consumed by human beings. If the demand for protein increases even further I think we will have to develop commercially—this has already been done for some time on an experimental basis—the direct processing of fish meal and fish flour for the feeding of humans because the human diet now in many parts of the world is deficient in the most costly element—protein.

In this connection I should say that on the east coast there are other developments in other branches of the fishing industry. I do not intend to be all-inclusive when I mention these few examples. There are new developments such as the tuna fishery based in Charlotte county, New Brunswick, the whaling industry based in Nova Scotia, the mackerel industry which is more efficiently processing mackerel for human consumption at Rustico, Prince Edward Island, the new plant at Shelburne for the processing of herring for human consumption, the plant for the production of marine plant products in Miminegash, Prince Edward Island and near Charlottetown, and many other developments in the fishing industry.

These developments, of course, are not all painless. There is the further development of the use of larger ships which can go farther out to sea and catch fish more efficiently than can be done by the traditional inshore fishery. There are many communities on the east coast of Canada especially which have come into being because of the inshore fishery. In many cases the situation for the inshore fishermen in these areas is becoming more difficult all the time.

There is a human problem involved, and this is particularly true in Newfoundland and in parts of the province of Quebec. An intention has been expressed by the province of Quebec to increase the income of the fishermen in isolated places by supporting the prices of some of these products. As I see it, the province of Quebec has a complete right to do this in the interests of the people concerned. I might add that the hon. member for Gaspé is especially interested in this matter but unavoidably had to leave the chamber this afternoon. He will be unable to make the remarks he wished to make in this regard. I wish to point out to members of the committee that this is a matter which is of interest to members of parliament from the province of Quebec and that in my judgment the provincial governments are completely within their rights in trying to do something which will put a little more money into the pockets of our inshore fishermen, especially those who have the added disadvantage of a very short season.

[Mr. MacLean (Queens).]

• (4:10 p.m.)

I want to make a few remarks now regarding some other items of concern to the fishing industry generally. First let me mention very briefly the sealing industry on the Atlantic coast. I commend the minister for his recent sound and reasoned statement in respect of this industry. Of course everyone wants the harvesting of the seal crop to be as humane as possible, and I think this is being done at the present time as nearly as well as we can reasonably expect. We should not cease to seek improvements, but I feel reasonably sure that the herds of seals are being exploited in a rational way, at least as far as Canada is concerned, and are not being exterminated. However, this is a matter which will have to be watched closely. I know the minister realizes this and that the department has the industry under very close supervision.

In this regard I should like to make a suggestion to the minister about sealing in the gulf of St. Lawrence where aircraft are involved. I know the responsibility does not come directly under this department but under the Department of Transport. When aircraft are used in the sealing industry a tremendous financial investment is riding on whether or not an aircraft can operate on a given day and a great temptation exists to fly aircraft under weather conditions which are not fit for flying with the result that there is danger to life and equipment. It is pretty hard for an operator to refrain from operating an aircraft, even when the flying weather is not fit if somebody else is going to fly anyhow. I strongly recommend to the minister that before the next sealing season someone from the Department of Transport be appointed for the period of the seal hunt with the power to control flying in the sense that he could declare when flying had to cease or when it would not be permitted because of weather conditions. This would apply equally to all operators. It would make the operation much more safe and orderly and reduce the loss of equipment.

The minister mentioned the growing necessity for rational exploitation of the resources of the sea. This again is an element related to the increased demand for fishery products. As the demand increases the interest of the nations concerned increases, and the tendency

for conflicts to arise between nations regarding their rights and privileges is bound to be greater. Five or six years ago international conventions were agreed to at Geneva. I strongly recommend that Canada ratify the conventions she has not ratified yet so we will be recognized as having an interest in rational and orderly exploitation of the living resources of the sea.

The minister also mentioned briefly the problems regarding exclusive fishing rights for Canadians within a 12-mile zone of Canada's coasts. Three years have passed since we put through legislation empowering the government to declare a 12-mile exclusive fishing zone for Canadians and, to put it mildly, I am greatly disappointed at the lack of progress which has been made. It is not my intention, however, to press the point now as I can well understand that the Department of External Affairs, which is of course involved in this matter, has bigger fish to fry at the moment. That does not relieve the government in any way of the responsibility to find an acceptable solution to these problems at the earliest possible time and to at least declare some geographical co-ordinates in some areas in order to start this desirable process on its way.

We are, of course, a leading nation so far as co-operation with other nations in international fisheries conventions is concerned. This country has been a member of seven important commissions for a number of years. They include the Pacific Halibut Commission, the International Pacific Salmon Fishing Commission, the International Whaling Commission, ICNAF, the Great Lakes Commission and the North Pacific Fur Seals Commission. Most of these commissions have done extremely good work. I was pleased to note that the minister mentioned that action is being taken at the present time to bring about an international agreement with regard to the tuna fishery and regarding orderly fishing in the north Atlantic, having in mind safety and that sort of thing.

Speaking of safety, I strongly recommend to the minister that if he has not already done so he should set up an informal committee with the Department of Transport or take other appropriate action to make sure that fishing on the east coast especially, particularly during the wintertime, has adequate navigational aids and that the vessels concerned have adequate navigational equipment. In this way we could, so far as possible, prevent such tragic loss of life as that which occurred this winter on more than one occasion as a result of the complete loss of small trawlers operating on the east coast.

The minister also mentioned briefly the importance of safeguarding, developing and expanding some of our most valuable species such as salmon on the east and west coasts. One of the best investments the Canadian taxpayer can make in terms of helping the economy is the expansion of means of increasing the stocks of salmon on both coasts, including the establishment of artificial spawning beds, the removal of obstructions and the prevention of pollution in salmon producing streams. This is a resource that has a very crucial link in its life cycle in the streams but does most of its growing in the high seas and comes back to our shores as a very valuable asset.

• (4:20 p.m.)

The minister did not mention other types of development of our fishery resources such as fish farming. If my memory serves me right, when the federal-provincial fisheries conference was held some years ago one of the important matters considered was that in some of the provinces at least there should be strenuous efforts to develop fish farming under certain circumstances, in the belief that it would be a viable and perhaps profitable industry in some areas. There may be a reason why there has not been much development in this phase of the industry. It may be that it is not as profitable or economic as was supposed at that time. Again, there may have been developments of which I am unaware. I do not want to take up any more of the time of the committee at the moment, Mr. Chairman, but I may have some further remarks to make when the specific items are called.

Mr. Howard: Mr. Chairman, in his opening remarks the minister indicated that he was going to make a short, terse statement partly because a committee of this house last session examined at quite some length the estimates of the fisheries department. But I hope it is not taken from what the minister said that all the problems dealt with by that committee, some of which were recommended upon, are solved and out of the way, because such is not the case. I might note in passing, because I asked the minister a question about this in the house one day, by implication at least, that the rumour which circulated pretty widely through the press and elsewhere about the minister leaving his post to repose in some other place has not yet come to pass. I am not trying either to hasten or prolong the

minister's departure. These things are beyond my authority, of course. But, apropos of that, I think some mark of commendation should be given to the hon. member for Vancouver Quadra for the way in which he handled and chaired the meetings of the committee last year.

Some hon. Members: Hear, hear.

Mr. Howard: Even though he and I had a few differences of opinion occasionally, nevertheless I think he deserves that mark of commendation for the approach he took to the committee. This is the way a committee chairman should operate—fairly, justly and impartially while attempting to get the estimates passed and back in the house as quickly as is convenient. If the minister is posted to another place and having in mind his colleague the Minister of Labour that he is not going to run for election again, perhaps the abilities of the hon. member for Vancouver Quadra should be kept in mind for the post of minister of fisheries if it becomes vacant in the foreseeable future. This would at least provide us with a minister of fisheries who is oriented to British Columbia, which has not been the case since 1957 when Jimmy Sinclair was the minister.

Perhaps a change of balance might do the department good. It would certainly have as its head someone who knows what the problems on the west coast are. I am not saying that the minister does not know them; I am just saying that he comes from the east coast. We desire these balances because cabinet members, as we know, are not particularly chosen on the basis of ability but on the basis of provincial distribution within the party which happens to be in office, plus a few other factors.

The minister raised a couple of points upon which I should like to comment, and I will toss into the hopper a few other items that are of great concern in the fishing industry. I wish to direct the bulk of my remarks to a peculiar and pertinent current situation in the fishing industry of British Columbia about which I have spoken to the minister on a number of occasions. The minister mentioned the necessity of international agreements and international concern about conservation and exploitation within the limits set by conservation. Many of us have put forward the contention for some time that there is a feeling amongst certain fishermen at home that we engage in the conservation of fisheries and restrictions upon our own fishermen in order that nationals of other countries may reap the benefits of our conservation measures. In other words, we hold back on fishing while somebody else reaps the profit. Whether this is valid is immaterial at the moment. The fact is that it is a matter of very great concern to certain of our fishermen at home and it is something to which we must give recognition. If benefits are to accrue from restraints upon our fishing industry for the purpose of conservation, we should be in the forefront of those receiving the benefits, especially where the conservation is carried out in our own territorial seas and fishing zones and in respect of those species such as salmon which breed in our streams.

We pointed out some years ago, even before the Soviet union became such a notable fisher off our west coast, the increase in Soviet union incursions into the fisheries on the Pacific coast and elsewhere. These came about partly because of the visit of the former minister of fisheries, Mr. Sinclair, to the Soviet union. Some of the information he was able to glean on his visit there was given a great deal of publicity and one could almost see the handwriting on the wall at that time. That is more then ten years ago now.

Regardless of the conflict that has taken place in mainland China in the last few months, we can foresee the time when China, as it develops and expands, will become a major nation involved in the fisheries of the Pacific Ocean. Whether we like it or not we will have to contend with that situation if and when it arises. I am confident it will arise because of the great need of people for food. As has been pointed out on a number of occasions, the ocean is perhaps the last known source of foodstuffs with special protein content that has not yet been explored and exploited to the full. When the minister speaks about the necessity of international agreements and international control or conservation these facts must be kept in mind so that we are prepared for these situations when they arise rather than try to cope with them after they have reached such proportions that we become greatly concerned about them.

• (4:30 p.m.)

Part of the problem, of course, has to do with the straight base lines to which the minister referred. The 12-mile fishing limit and the so-called straight base lines will not be as valuable to us as was thought by many people, even people in the fishing industry, some 10 or 15 years ago when pressures were exerted to establish a 12-mile limit. However, I submit for the minister's consideration, and

we have continued to point this out, that just before the bill was introduced in the Senate to establish the territorial sea or fishing zones a presentation was made to the government by the fisheries association. In that presentation the fisheries association delineated what they conceived to be the correct position of the straight base lines.

In so far as British Columbia is concerned, all people with any concern about or interest in the fishing industry whom I have met are of the unanimous opinion that the proposition put forward by the fisheries association should be accepted, namely, that the straight base lines should be drawn in such a way as to extend from the area along the northern tip of Vancouver island and around Cape Scott, the last point of land on the island, to the Cape St. James area at the lower end of the Queen Charlotte Islands, and from Langara at the northern part of the island up to the international boundary between British Columbia and Alaska. Thus the waters of Dixon Entrance, Hecate strait and Queen Charlotte Sound would be enclosed behind the straight base line.

The only nation with which we have been having discussions has been the United States and it is the only nation which has recognized historic fishing rights and has remained within the area regardless of the straight base lines. Therefore the only conclusion to which we can come is that our so-called negotiations have been about the location of the straight base lines, and any variation from the proposals put forward by the fisheries association, which were endorsed completely by everybody in the fishing industry in British Columbia, which would designate more of that water area as international waters detracts from the position of the government. At that time the government claimed that it based its entire proposition for the 12-mile limit on the presentation made by the fisheries association, and that was the reason that it took action and made that particular proposal. I hope that whenever the announcement is made there is no variation on the landward side. This would be against the unanimous opinion of the fishing industry in British Columbia because we recognize clearly the necessity of taking in as much of that water territory as is possible for our own fisheries especially in view of the advances we have made in the last few years in the so-called bottom fishery which has been excluded by and large from extensive fishing.

Before proceeding to another matter I should like to say to the minister that during the committee hearings last year, at which time intensive discussions were taking place between Canada and the United States, heated comments were made from time to time about the extent to which Alaskan or United States fishermen were catching salmon bound for the spawning grounds in the Nass and Stikine rivers in northern British Columbia. In other words, we were concerned about the extent to which United States fishermen were catching Canadian fish. At that time the final decision of the department was to conduct spot fishery research with a number of seiners, half a dozen, I believe, to attempt to determine the degree to which Alaskan bound salmon traverse what we hope will be our Canadian waters and the degree to which we might be able to catch the home-coming Alaskan salmon. The purpose was so that we might be able to present this information to the United States and say to them: "If you persist in establishing a surf line, not by agreement but by subterfuge and deceit, then we have no other recourse but to engage in extensive fishery of your home-coming fish because that is our only effective lever against you to make you draw in your surf line." That report has been made. I have not called the department to see whether or not I could obtain a copy of it, but there is no doubt that I can. I wonder in passing whether the minister might not feel disposed to table a copy in the house so that it would become a public document.

At the same time I should like to ask for the tabling of a similar document, namely, the report on research into the salmon fishery in the Stikine river. The Stikine river has its mouth in Alaskan waters and the salmon spawning grounds are in Canadian territory. Fish coming to spawn in the upper reaches of the Stikine and its tributaries must travel almost the entire distance through Alaskan waters once they leave international waters, and Canadian fishermen have no possibility of catching the fish until they actually get into the waters above the boundary between British Columbia and Alaska in the lower reaches of the Stikine river. This is another document which we should like to have.

There are other items which I shall not mention at present but will perhaps raise later. I should now like to spend what time I can dealing with the situation in Prince Rupert to which I have made reference and which I have discussed with the minister on a number of occasions. A couple of months ago reports reached us about the quarter of a

million or 300,000 pounds of sole and cod which were permitted to rot in the holds of five fishing vessels in Prince Rupert. Eventually they were taken out somewhere in Hecate strait and dumped because not only were they unfit for human consumption but they were unfit even for use in reduction plants.

I am in no way attempting to guess whose fault this was. All I will say is that it was rather silly and asinine to have permitted this amount of fish to go to waste at a time when hunger in the world is the cry of the day and when part of Canada's economy depends upon the fishery, which is true to a large degree in Prince Rupert. It was foolish and stupid to have permitted that to take place. The reason it took place, in brief terms, was that a jurisdictional dispute arose between two unions, the United Fishermen and Allied Workers' Union and the Deep Sea Fishermen's Union, over a matter of agreements in certain fisheries. That dispute is still in existence and so far as emotion and high feelings are concerned the situation is worse than it was two months ago.

• (4:40 p.m.)

As I said, Mr. Chairman, I spoke to the minister about this matter privately on a number of occasions and I also discussed it with other cabinet ministers. At one stage I made an inquiry in the house as to action that might be taken. The minister told me privately—I am sure he will not mind my saying this because he has also said the same thing publicly—that he has been advised by the Department of Justice that the federal Department of Fisheries has no authority to step into the picture, to conduct any inquiries or to make any moves that might ameliorate or help the situation. With all respect to the justice department, in one sense I think the minister might have some jurisdiction and I will go into this specifically in a moment. If there is authority in the Department of Fisheries—I understand this is the correct situation—to inspect fish to see whether or not it is unfit and to issue orders for fish to be disposed of or dumped, as has happened, I think it might be equally within the jurisdiction of the department to inspect fish from the point of view of seeing whether, if a certain situation continues, the fish might become unfit and take steps to preserve it.

Following the discussions I had with the minister I telephoned the minister of labour of British Columbia, Mr. Peterson. At the time I called him from Ottawa he was not in his office. I left word for him to call me back collect because I thought that by talking to him and by explaining to him the circumstances of the situation as I knew them he might be persuaded to do something inasmuch as the question of private contracts and labour-management relations might come within the jurisdiction of the provincial government.

However, I did not receive any telephone call in reply. I made a special visit to Victoria in an attempt to see the minister. I spoke officially to his department when he was not there and I subsequently telephoned him at his office on two or three occasions, but so far, I have had no response from him.

I understand that the position taken by the provincial government is one of hands off, of not having any jurisdiction or authority. I should like to quote a statement from a telegram sent by the provincial minister of labour to the Prince Rupert chamber of commerce, as reproduced in the Prince Rupert *News* for May 26 last. It reads as follows:

> Our problem is that fishing very clearly does not come under the jurisdiction on the department of labour and we are, therefore, unable to intervene in the dispute. Because of the serious nature of the dispute, the hardship on the families concerned and the economy in general, my department has sought legal advice to determine what action could be taken, and we have advised that under the provisions of the British North America Act fishing very clearly falls under the federal jurisdiction. I regret that I am not able to be of greater assistance to you in this matter.

So we have so-called legal advice that the province has nothing to do with the matter. Likewise we have so-called legal advice at the federal level from the Department of Justice that the federal government has nothing to do with it. Is this area a barren field over which no one has any jurisdiction? Is it a section of our economy that the fathers of confederation did not deal with, something of which they did not conceive and which is excluded from the legislative authority of the parliament of Canada or the legislature of the province of British Columbia? This seems to be the case if these legal opinions prevail. On the one hand we have the federal minister saying that he does not have any authority and offering to help the provincial government provide certain services; on the other hand, we have the provincial minister saying that it has nothing to do with his province, that their legal advisers tell him that fisheries are in the hands of the federal government.

Mr. Robichaud: According to that telegram the minister was playing with words.

Mr. Howard: The minister says he thinks the provincial minister was playing with words. I was just coming to that point. Before the minister made that comment I was about to say that I think that both these legal opinions are correct. I am inclined to think that there is jurisdiction in this matter in the provincial government to a limited extent and also in the federal government, except that both governments are talking about two different things.

Mr. Peterson chose to deal exclusively with fisheries and did not mention in his telegram anything about the legislative jurisdiction under the B.N.A. Act relating to property and civil rights, under which falls the matter of contracts between individuals and groups. He did not mention in his telegram what is clearly within provincial jurisdiction, labour relations between employers and employees, if this question comes into play at all, and there is some argument that it may not.

In my opinion, the government of British Columbia has the jurisdiction and the moral obligation to step into the dispute in the fishing industry at Prince Rupert. It should have exercised this authority right at the start of the dispute. If it had it might have been able to effect a peaceable conclusion long before the situation deteriorated to the point it has. Why the provincial government has remained aloof is a question which defies a clear answer. Such an abdication of responsibility has been a direct contributing factor to the tenseness in Prince Rupert.

In this tense situation there has been a variety—too many to mention here—of ploys and counter-ploys on the part of the various elements involved. It is not entirely a matter that should simply be the concern of the two unions involved. Other elements come into play which are also affected by the decisions taken by the unions. For example, there is the vessel owners association, composed of the people who own boats and go fishing. There are the people who work on those boats, the citizens of Prince Rupert. Then there is the Prince Rupert Citizens' Co-op which has within its membership people who are either in one or other of the two unions or are members of the fishing vessel owners association. Then, of course, there are the other canneries owned by private industry in Prince Rupert. There are those members of the population of Prince Rupert who work in the canning and fishing industries. There are also a large number of native Indian fishermen and cannery workers who come down the Nass and Skeena rivers and congregate in and around Prince Rupert during the fishing season. All of these people are affected by the dispute. There is also the Native Brotherhood of British Columbia, an organization on the coast consisting of native Indian people. They are involved in this dispute.

So, it is not simply a dispute between two unions over jurisdiction and the involvement of an organizational campaign. If it were simply that and these other elements did not enter into the matter and were not so adversely affected by the situation, then perhaps we could take the position of hands off and tell them to sort it out amongst themselves. This is the position we have taken in all other instances where there have been jurisdictional disputes between two unions and an organizational campaign. But when a large part of the community becomes embroiled in such a dispute there must be a recognition of responsibility by government.

• (4:50 p.m.)

There have been injunctions and damage suits, bitterness, emotional appeals, radio and newspaper press releases, statements, counter-statements, and I do not know what else, all of which are adding to the tenseness, the difficulties and hard feelings. I do not think the federal government is exempt from the charge of aloofness either, for it has a duty and a responsibility. Some aspects of the fishing industry can be dealt with by the provincial government and others are clearly within the authority and field of the federal government.

At the start of this dispute we tried to get the federal government to take action to prevent the rotting and subsequent dumping of some quarter of a million pounds of sole and cod. The Fisheries Act gives the government the right to take action in this respect and the right to make regulations with regard thereto. Section 34 of the act gives the governor in council the right to make regulations. Part of that section provides that the governor in council can make regulations with respect to "the catching, loading, landing, handling, transportation, possession and disposal of fish." The key words here, I think, are "handling" and "disposal".

I say that the federal government should be prepared for a further deterioration, although I hope it does not take place, of the situation in Prince Rupert and should gear itself to supervise and control the unloading and processing of fish if work is hampered. The

processing of foodstuffs, the economy of Prince Rupert and the fundamental rights of people are far too important for the federal government to sit idly by and engage in a buck-passing game with the provincial government. To do nothing is simply to play the "Nero fiddled while Rome burned" game, with Prince Rupert as the figurative pyre in this activity.

When the halibut season opened on May 9 there was further activity. Some companies refused to provide boats and ice to people who wanted to go fishing for halibut. Some companies were afraid that by so doing they would incur the enmity of one or other of the unions in the jurisdictional dispute and might be subject to having their plants picketed when the halibut boats returned. As a result fishermen were discouraged from going out to fish for halibut even though this fishery is an important part of the total fishery off the west coast. The mayor of Prince Rupert has persistently tried to find some way to resolve the dispute. Great credit is due him for persistently attempting to do this. I see you rising, sir. Perhaps my time has expired.

Some hon. Members: Carry on.

The Acting Chairman (Mr. Richard): Has the hon. member leave to proceed?

Some hon. Members: Agreed.

Mr. Howard: It is very kind of the committee and I shall try not to impose on its kindness. I shall shorten my comments. I became so involved in the matter that probably I went further than I should have.

I was about to say that the ministerial association had expressed its concern and has worked assiduously to find a solution. The housewives who have picketed in support of shore workers going to work to try to process fish as it was landed are to be given credit too. All those who participated in this action are to be commended, though so far not a great deal has been accomplished in the resolution of the dispute.

On Friday last—this is how serious this situation is—one of the unions, the United Fishermen and Allied Workers' Union, picketed the Prince Rupert fishermen's co-op plant because they said that the co-op was unfair or words like that. Before that the union had not declared particularly that certain plants were unfair, only that certain boats were unfair. Pickets also appeared at Royal Fish, saying that Royal Fish was unfair. These two companies were picketed by members of the United

Fishermen and Allied Workers' Union. The Deep Sea Fishermen's Union picketed on Friday at the Seal Cove plant of B.C. Packers, calling B.C. Packers unfair and saying that they would not unload the *Fredelia III*. The ship had to go to Royal Fish or somewhere else.

Here we have two unions, one of them picketing one fish plant and the other picketing another fish plant. The situation has resulted in members of one union involved in the picketing going through their own union's picket lines and in another case going through the picket lines set up by another union. This sort of thing in a community such as Prince Rupert, where trade union feelings run pretty high, could be damaging and explosive to say the least. This is a situation where friend turns against friend, union member against union member and neighbours do not speak to one another because they are on one side or the other of the dispute. The law has been ignored, and I submit that ignoring the law, as has happened in Prince Rupert, merely entices others to ignore it or to break it completely. When such a situation develops it simply cannot be tolerated. I do not care who thinks what about whose jurisdiction anything falls under. Threats of intimidation have been made against individuals by anonymous telephone calls. There is every likelihood that this situation will continue and that it may well develop into something worse.

In some instances people have been threatened with the prospect of being blackballed. This threat of the loss of opportunity to earn a living is one of the worst possible forms of intimidation. When I was with the trade union movement we condemned it as a scurvy practice when employers used it. I condemn it now and it should be condemned whether it is engaged in by employers or unions, and I emphasize the union's part in this. If any union or any person carries on a policy of such threats they should be condemned and, if necessary, restrained by law.

The only manner in which I can make this appeal is to the Minister of Fisheries. I submit that he must take action along the lines I suggested earlier or along some other lines but, for heaven's sake, the action must be taken soon. Otherwise the situation could explode and become something far beyond anyone's expectation. These situations have a tendency to do that when emotions run high and the economies and incomes of persons are involved.

I shall conclude by referring to the Inquiries Act. Section 2 of the act gives the minister and the government authority and jurisdiction to conduct some sort of inquiry into the whole problem. Obviously the provincial government has abdicated its responsibility by using semantics in the telegram it sent to the chamber of commerce. It ignored its responsibilities. Section 2 of the Inquiries Act reads as follows:

> The governor in council may, whenever he deems it expedient, cause inquiry to be made into and concerning any matter connected with the good government of Canada—

I will not make humorous comments about whether we have good government.

> —or the conduct of any part of the public business thereof.

• (5:00 p.m.)

The words "good government" are not capitalized. So I submit that the words "the good government of Canada" do not apply necessarily to this government or to any other government. The words refer in my opinion, to the simpler and broader concept of governing itself. Surely a situation which is imperilling a large number of people in one major seaport on the west coast should be of concern to the good government of Canada. When the force of law breaks down, as it is likely to break down, and when the force of law has been ignored, as it is being ignored, it is for the governor in council to cause an inquiry to be made into the good government of Canada and the conduct of any part of public affairs.

The time to act is now. Hon. members will find that there is no opportunity now to deal with this situation in depth and to study and examine it. A move in this direction would, I am sure, be supported by everyone in this house and by virtually everyone in Prince Rupert. The time has come to do something worth while. If we could set up a royal commission of inquiry in connection with that trollop Gerda Munsinger, surely we can have an inquiry into something as vital to our economy as the fishing industry in Prince Rupert.

Mr. Deachman: Mr. Chairman, in rising to make a few observations on the estimates of the Department of Fisheries I certainly wish to thank the hon. member for Skeena for his kind remarks about me in regard to the chairing of the fisheries committee during the last session. It is a pleasure to hear such favourable comments about my behaviour in the chair, especially after some of the comments made in the house with regard to my chairmanship of the defence committee, for which I got very little praise at times.

I am astonished that the hon. member should have gone so far, however, as to suggest I might even become minister of fisheries. I just want to say that we have at the present time an excellent Minister of Fisheries. Wherever I go I find him to be very highly regarded by working fishermen and people in the industry generally. When they talk about the federal government and of the Department of Fisheries they show a high regard for the present minister based on his understanding of the industry and the rapport he has with those who make their livelihood from it. I hope he will remain minister of that department for a long time.

It was interesting to hear what the hon. member for Skeena had to say about the deep impact made by the fishing industry on the social and economic life of the people who live on our coasts and engage in that industry. He expressed the situation well. It is a fact that this industry is virtually the life of hundreds upon hundreds of individuals in small villages and outports along the Atlantic and Pacific coasts of Canada. Accordingly, when we review the estimates of this portfolio we are doing far more than considering a list of items setting out money which is to be spent. We are talking about the lives of a group of Canadians whose background is very different from that of most of us who come to this House of Commons. Few of us come from fishing villages and have felt the harshness of the lives that these people lead. So it is important for us to remember that we are dealing here with the livelihood of Canadians who earn their living in a dangerous pursuit, one which exacts great penalties in return for the yield it allows.

There are one or two items which have come to my attention as chairman of the committee upon which I hope the minister will comment briefly when he replies later to this debate. They have come from various sources. One concerns the complaints of fishing vessel owners in connection with subsidies for vessel construction on the west coast. I would refer to a letter I have received from Mr. Frank Bublé, president of the salmon section of the Fishing Owners Association of British Columbia. It is dated January 22, 1967, and in one paragraph he states:

> In 1966, 170 new boats came into salmon industry mostly trollers and gilnetter's or combination boats (troll and gill net). This year it looks from reports

that there will be close to 300 more. When do we stop? The pie is going to be cut quite thin and this means more strikes etc. Is this good for our Canadian economy?

He goes on to say:

We find that most of our members have to compete with these new fish boats which enter the salmon, herring, halibut and trawling fisheries. We are not against subsidies but they should help all the vessel owners if they are to keep their boats and gear and electronic apparatus in first class condition without being a hardship on the owner.

This, of course, raises an old problem. When a subsidy for building something new is introduced some hardship is caused to those who are already in business and find themselves facing decisions about what to do with their own capital equipment. Many of these men have been in business for a long time and have made fairly large investments in boats which now have years of life behind them, though they are good for a few years more. These men are fighting for the equity they have acquired in their business. It is disheartening, I know, to find younger men entering a business assisted by special subsidies which were not available in the past. So when the question of subsidies is being considered, care must be taken to preserve equity as between the older fishermen who have already acquired their equipment and the younger men who wish to enter the industry.

It has been said that these subsidies were offered in the main to assist the boat-building industry. Yet there are still complaints on the Pacific coast that our vessel building industry is altogether inadequate compared with the industry in the state of Washington to the south, and that the subsidy has not assisted the efficient development of building techniques in Canada. I believe this whole subject needs to be reviewed in the light of some of the complaints which have been raised and some of the anomalies which have come to light.

• (5:10 p.m.)

I wish to refer now to a dispute which has arisen on the west coast and about which the last has not been heard. I have in mind the appeal made by sports fishermen for a net-free zone in the strait of Juan de Fuca. Many demands are being made by sports fishing clubs, chambers of commerce and the like, that a net-free zone be set aside from which commercial fishermen would be excluded, thus allowing them to engage in sports fishing. This idea is bitterly opposed by the commercial fishermen. We must face up to the fact that our population on the west coast is growing rapidly, that more and more people are using small pleasure boats, sometimes for fishing and sometimes for cruising among islands, and these boats are creating a whole series of problems in relation to the fishing industry. They are creating wharfage and accommodation problems and are a disturbance when fishermen are working on the fishing grounds.

We cannot tell these people that they have no rights. Small craft and pleasure vessels are becoming a big business. They have to be regulated and it is our duty to study these problems more carefully in the light of changing conditions. I hope the minister will make some comment on the matter.

Recently I received a very interesting letter from the Fishing Vessel Owners' Association of British Columbia in regard to fish packed and sold in North America as "Greenland Halibut". The secretary of the association wrote me as follows:

We are writing to bring to your attention a matter that is of considerable concern to the halibut fishermen on the Pacific coast. As you know, halibut is a delicacy, commands a relatively high price and indeed it is not overstating the case to say that the name halibut itself is synonymous with a food fish of the highest quality. A very bad situation has developed in that a much inferior fish now taken in Atlantic waters and known, though not scientifically, as turbot, is being packaged and sold in North America as "Greenland Halibut". Compared to true halibut this fish is soft, mushy and oily but the housewife buying it in the supermarket or fish store and indeed the institutional buyer buying fish in large quantities is unable to differentiate, through lack of knowledge, between "Greenland Halibut" at prices as low as 29 cents a pound and true halibut.

This is causing a good deal of consternation in the industry on the west coast and it is a problem which I refer to the minister with the request that he examine it. I understand there are international complications when we get into the question of marketing halibut abroad, but I hope the minister will give this matter his attention.

I have also received a letter from the Pacific Trollers' Association, one of the many organizations connected with the fishery on the west coast. It deals with the problem of pollution. It was sent to me by Mr. R. S. Stanton, secretary-treasurer of the association, and in it he wrote:

The Pacific Trollers Association protests the intention of the municipality of Richmond to discharge domestic sewage into the main arm of the Fraser River at any location, including the proposed Gilbert Road location.

Further, we protest against 16 permits issued by the B.C. Pollution Control Board to Richmond industries and businesses for existing outfalls, which

permit 3,688,300 gallons of domestic and industrial sewage to be discharged, daily, into the waters of the Fraser River.

This once more draws to our attention the increasing problem of pollution along our shores, both Atlantic and Pacific, as our population increases. Last year in the standing committee we drew attention to this question of pollution and directed the minister's attention to it in our final report. It is something which concerned all members on the committee. Could the minister assist us by letting us know what steps have been taken to combat the problem following receipt of the standing committee's report?

The hon. member for Queens, a man with long experience in the fishing industry and who was minister of fisheries at one time, referred to sealing. That question is dormant at the moment simply because the season is over, but we all know that the humane killing of seals will be engaging our attention next year. A few days ago I read the 1959 reports of the standing committee on agriculture dealing with the humane killing of food animals in slaughterhouses. They were interesting in relation to the seal problem. We cannot turn our backs on the fact that inhumane killing of seals is taking place. I believe that as a civilized people we have a duty to see that when animals are killed, something which is necessary to our economy, it is done in the most humane way possible. The reports of the 1959 committee on agriculture show the lengths to which the Department of Agriculture, veterinarians and other scientific people went in order to devise economic, effective, but humane killing procedures.

There is much to do in this area with respect to seals. I would urge the government to review the agricultural committee reports of 1959 and bring expertise to bear on the seal killing problem. The harvesting of seals is something which is related to the economic lives of fishermen, and we should come to grips with the problem that it has created. I am quite sure Canadians are capable of overcoming the difficulties and of satisfying people who were offended by brutal killing practices.

I cannot add much to what has been said so ably by the hon. member for Skeena in regard to the 12-mile limit, except to say that the industry awaits with expectation the efforts of the government to finalize the problem and to institute limits which will protect our growing coastal fisheries. The hon. member for Queens made reference to the possibility of establishing straight line co-ordinates in some areas in order to start the work. I would concur in his suggestion because protection is needed for our fishing zones.

• (5:20 p.m.)

Anyone who has been to Expo and had an opportunity to visit the Russian building will have seen a vessel exhibited by the Russian fisheries. One of the most interesting exhibits is a Russian fishing vessel of about 40,000 tons. It has along its sides some 14 trawlers which can be lowered into the water. It is an enormous floating plant for deep sea fishing or trawling. To anyone interested in Canadian fisheries I would commend the Russian exhibit at Expo and I suggest that they think very carefully about the demand for protein in this world and consider the means that nations such as Russia have adopted in order to equip themselves with fishing plants so that they will be able to obtain protein. This means we are on the eve of a breakthrough in respect of obtaining food from the sea such as we have never envisaged. If we are to live with others in any kind of harmony we must learn how to practice conservation in concert with other countries and must make arrangements in respect of fishing zones and conservation in those zones on a scale we have not dreamed of before.

One of the first things which faces us in the years ahead is that we must learn how to share the food from the sea. There is a growing number of nations in the world which will have to turn to the sea in order to find the food for their populations.

In respect of our own committee on fisheries I believe it is generally agreed that members of the committee should be better equipped with expertise than they have been up until now. I should like to make an appeal to the government not only in respect of the committee on fisheries but in respect of all the important committees of the house that provision be made so that we will have much more expertise available to us in order that we can deal with these matters intelligently. We must be in a position to employ for a time on a regular or on a daily basis expert scientists, lawyers, doctors, veterinarians or whatever may be necessary in order to accomplish some of the work which faces us as members of committees.

I would hope that some time in the not too distant future, when we have come back after the summer recess, the minister would provide the committee on fisheries with a reference which would enable it to commence some of the studies I have mentioned and

some of the studies which have been suggested by the other members who have spoken in the house this afternoon. These are problems of great concern to Canadians and are of increasing concern the world over.

Mr. Chatterton: Mr. Chairman, my intervention will be very brief. The hon. member for Skeena I believe spoke well with regard to the 12-mile fishing limit and the territorial waters. I recall that in the middle of 1964, I think, the Secretary of State for External Affairs, in response to a question, said he hoped that before Christmas of that year the co-ordinates would be established. I was naturally pleased when finally the Minister of Fisheries announced today that the Secretary of State for External Affairs, within the next few days, will announce the co-ordinates and the base lines. I assume from that that all matters relating to the historic treaties and rights will have been studied by the time the announcement is made.

A very contentious question concerning the greater Victoria area has been referred to today by the hon. member for Vancouver Quadra. I am referring to the division of the catch of coho and chinook salmon between the net fishermen, the trawlers and the sports fishermen. The problem arises basically because the International Salmon Fisheries Commission has no jurisdiction over these species. It remains more or less a problem for the Canadian government itself to solve. There has been a demand that a corridor be established around the coast of Juan de Fuca strait. Recently—I believe in an attempt to do something about the problem—area 19 and part of area 20 were closed to commercial salmon fishing. The fact is that this has made nobody happy. It has made everybody very unhappy. The fisheries council of British Columbia objected very strongly to this precedent of an infringement on the rights of the commercial fishermen. The trawlers objected that it did not help anybody except the net fishermen. The conservation council announced that its members were very unhappy because the closure stopped at the wrong point. As of today everybody is dissatisfied.

It seems to me that this is a difficult problem. Part of the problem, however, is that there is not sufficient knowledge concerning the habits of the coho and chinook salmon particularly. More research is being carried out to establish the habits of these species, but basically I believe the problem is that not just the present minister but the department have not realized the growing importance of the sports fishing industry. I realize there is a conflict and that a certain amount of the research must be carried on by the various interested groups.

In the attempt, which failed, to placate at least the conservation office I believe what was overlooked was the basic problem of the classes of fishermen on the Pacific coast and that there are too many fishermen for the resource which is allocated to them. If a solution can be found to this problem through licence limitation, I think the other problem of the division of the chinook and coho between those interested can be solved also.

I suggest to the minister that the attempt to make and ad hoc arrangement will not succeed. Any such attempt will not succeed unless the other question of the limitation on licensing is also solved. I should like to repeat again that I think the importance of the growing sports fishing has been underestimated by the department, not only from the point of view of the jurisdiction of the department itself but also from the point of view of the over-all economy of the west coast and certainly in the area of Victoria.

My only other point concerns the wharfing facilities for commercial fishermen and more specifically the Victoria fishermen's wharf. I do not know whether the minister has received complaints in this regard. There has been, however, much publicity in Victoria. I have before me a petition signed by some 200 commercial fishermen. The preamble to the petition reads:

> We the undersigned petition you as our federal representative—

This petition, incidentally, was also sent to the hon. member for Victoria (B.C.).

> —to look into the inadequate wharf facilities for the Victoria commercial fishing fleet. The ever-increasing fleet demands more wharves, as at present boats are tied up four deep. This condition causes damage by passing traffic in the harbour and also creates a potential fire hazard.

I realize that the provision of funds for this purpose does not rest directly with the Minister of Fisheries. I submit, however, that the minister has a responsibility to carry out an investigation into this situation and then use his influence with the Minister of Transport in an effort to see that the necessary facilities are made available.

The following headline appeared in the Victoria *Times* of February 18: "Fishermen Hit Overcrowding at City Wharf." The news account itself is quite alarming. I have been down to see the situation and I hope the

minister will have a thorough investigation made, if he has not already done so, and use his influence with the Minister of Transport in order to provide adequate facilities.

• (5:30 p.m.)

As to the fishermen's wharf at Shoal Harbour in Sidney, the fishermen have told me they would be prepared to pay additional wharfage fees if additional facilities such as lighting, individual berths, toilet and sanitary facilities could be provided. Again I suggest that the minister have his staff look into this and if they are satisfied that the fishermen would pay larger wharfage fees he could then use his influence with the Minister of Transport to provide these faciliites.

In closing I again urge the minister to put his mind to a consideration of the serious problems of conflict which exist between commercial and sports fishermen in the greater Victoria area.

Mr. McQuaid: Mr. Chairman, I do not propose to delay the passing of these estimates for any great length of time but there are one or two things upon which I should like to comment briefly while the estimates are before the committee. Let me mention in passing that I have had considerable dealings with the minister over the past 12 months and have always found him easy to get along with, co-operative and anxious to do what he thinks is best in the interests of the fishermen. There have been one or two exceptions, of course, regarding things I consider important and with which the minister did not agree, but I do not suppose we can always agree on all things.

The minister is in charge of a department of government which is very important to the people of many sections of Canada. Statistics indicate that the demand for our fishery products has never been greater than at the present time. There are, of course, several factors which contribute to this. One factor, and perhaps the most important, is the ever-increasing requirement of the world's population for food. Another is an evident increase in the appreciation and use of fish as a highly enjoyable source of protein. This I suggest is the result of insistence on quality in order to make fish competitive with other staple foods in places where there is a great variety of choice.

The third factor which is contributing to the greater demand for fish is the attractive manner in which fishery products can be and are being presented to the consuming public. Fish is very appetizing and can be attractively presented. The minister and his department are to be commended for the work being done in the test kitchen of the Department of Fisheries. At the invitation of the minister I had occasion to visit that kitchen not long ago and I was very impressed by the work that was being done. They are making an effort to provide different types of recipes in order to prepare and present fish in a more attractive way. This is what we must do because fish is as appetizing as other foods but it has to be presented in an attractive manner. The department through its efforts at the test kitchen is doing a very fine job in this respect.

The consumption of fish is increasing. The latest figures I have from the Dominion Bureau of Statistics indicate that in 1963 Canadians consumed 137,000 tons of fish compared with only 113,000 tons in 1960. This augurs well for the future of our fishing industry. At the present time Canada is second only to Japan in the export of fishery products and stands either ninth or tenth in the world in total catch. Our annual total landings are over two billion pounds, worth over $160,000,000.

There are not as many people engaged in this industry as there should be, and one reason they are not taking part relates to the fact that some of the facilities for fishermen are unfortunately being neglected. This is particularly so in the area I have the honour to represent. This situation is not entirely the fault of the minister or his department but there should be closer co-operation between the Department of Fisheries and the Department of Public Works so that when repairs to wharves and other facilities at various centres are required they can be carried out quickly by the Department of Public Works. There must be closer liaison in this area.

Since I was elected to the house I have been hammering at the Department of Public Works to get some work done in the harbour and fishing centre of Georgetown. I have asked for a landing slip there so that fishermen can launch their boats without an undue amount of hard labour. This would not be a particularly expensive job, and I had hoped the Department of Public Works would accede to my request. I understand this request was also made by my predecessor who represented this same district. It is still my hope that somebody in authority will be able to persuade the Department of Public Works to

undertake this every important job required to assist the fishermen to carry out their work properly.

Other small construction jobs require to be done which will not involve great expenditures of money and are very important to those engaged in this industry. I hope that as a result of better liaison and closer co-operation these jobs will be carried out. I am sure the minister would be anxious to see these things done as long as they are for the benefit of fishermen.

Let me commend the minister for the initiative and courage he has shown in the setting of lobster trap limits for district 7B. I assure him that by far the majority of fishermen in the industry in that area are in favour of the trap limit. I carried out a poll, so far as I was able, to determine what their reaction was and I can say that almost unanimously the fishermen agree there should be trap limits. Since the fishing season opened I have spoken to them and they still agree this is a good thing, although there is some disagreement as to the number of traps. At the present time the number is limited to 500. I believe this is a test period and that probably the minister is awaiting reaction. No doubt he will receive that reaction before the season closes or the time comes to change the limit if it requires change. At that time I hope he complies with the wishes of the fishermen in this regard. On the whole the department and the minister are to be congratulated for encouraging trap limits, because this is what the industry and the fishermen require.

Let me say that I am getting sick and tired of all the complaints about the sealing industry. It is too bad that a very small minority of people can attempt to destroy an industry which is worth so much to so many people. The department has done everything possible to see that cruelties are not practised in the sealing industry and it is to be commended for what it has done. Extra protective staff have been employed and the minister has gone to the ice fields himself to see exactly what has taken place. He has also received almost daily reports while sealing was taking place. What more could he possibly do? The reports he has viewed confirm, in his opinion, that there is no undue cruelty. Why should men and women persist in making these allegations if there is no substance to them?

• (5:40 p.m.)

I was impressed by the report circulated by the minister's department a few days ago which gave a review of this industry. I hope it can be more widely circulated. I do not know how widely it was circulated but presumably it was sent to every member of the house. It should be more widely distributed because it points out very clearly and succinctly what the minister and his department have done so far as the protection of seals is concerned and alleviating cruelty in this area. The report also points out the value of the industry. I think it is high time we heard less of these allegations of cruelty which apparently cannot be substantiated to the degree to which they are alleged to be taking place.

There is one other point I should like to raise. It concerns the protection of the gear of inshore fishermen from the operation of draggers. We all realize that dragger fishing is a very important branch of the fishing industry and must be allowed plenty of scope within which to operate. I have always maintained that the inshore fisherman, the man who is trying to eke out a living in his small fishing boat and cannot venture too far from shore, must be afforded protection from the operation of these draggers. Unfortunately there is some destruction of inshore fishing gear by reason of the operation of draggers too close to shore. These offences are not being committed by every dragger fisherman. They are being committed by probably only a very small minority but that small minority is causing havoc to a great many inshore fishermen. The draggers drag over the gear of the inshore fishermen and destroy it.

I hope the department will engage a competent protective staff to protect the inshore fishermen in this regard and see that the draggers do not drag too close to shore. There is plenty of room further out at sea for them to operate. They are equipped in such a way that they can fish many miles from shore. The man in the small boat is not able to do this and has to stay close to shore in order to carry on his fishing. The grounds close to shore should be reserved for him and he should not have to run the risk of having his gear destroyed by dragging operations within the area in which he fishes.

Now I come to my main criticism. It concerns a point on which the minister and I apparently do not agree. I refer to the payment of the subsidy to those fishermen who build boats in the 35 foot to 45 foot class. I was not encouraged at all by the announcement of the minister today that 51 out of 96 applications from my province have been approved, four have been classified as doubtful and 41 have been rejected. I think I am

quoting the minister correctly. He said they did not meet the criteria established by the federal government or those established by the loan board of the province. This is exactly where the minister and I come to the parting of the ways.

I suggest that the minister cannot produce anything to convince me or the fishermen of my province that when the policy was announced in respect of paying a subsidy to those who build boats in the 35-foot to 45-foot class, any criteria at all were laid down. I do not think he can establish to my satisfaction that such criteria were laid down at that time. If there are regulations in this respect I invite the minister to place them on the record so we can examine them. Let us know the date on which they were passed and the date they were transmitted to the provinces and to the fishermen's loan boards of the provinces. I have made inquiries of the officials of the fishermen's loan board of my province, the boat builders and the fishermen themselves, and invariably they have told me that at the time the policy was announced in 1964 no such criteria or regulations were laid down other than that the boat would have to be in the 35-foot to 45-foot class and would have to be used for fishing other than for lobsters. These were the only two stipulations made at that time, as far as I can ascertain.

The minister has said there are other stipulations. I have not been able to find them. If there are any other regulations in this respect I should, as I say, be obliged if he would place them on the record so we may look at them and settle this question once and for all. Thousands and thousands of dollars have been lost to the fishermen of my province because they built boats fully expecting that the government would live up to its commitment and pay them the subsidy. They have built boats in the 35-foot to 45-foot class. At the very beginning the government started to pay this subsidy. Six fishermen were paid. I would like to know why they were paid the subsidy and others were turned down, because the boats they built were not one bit different from many of the boats which have been built since and in respect of which applications have been rejected.

Apparently the department picked these six names out of a hat. I do not know how they chose them. They were not picked on political grounds, they were not picked on religious grounds or because of the area in which they happened to live. Apparently these six names were picked out of hat and the men were paid the subsidy. I have gone to the trouble to inquire into this matter and have ascertained that the boats they built are not one bit different from some of the boats which have since been built and in respect of which applications have been turned down.

Mr. Robichaud: I cannot agree.

Mr. McQuaid: Well, this is the best information I can get. I should like to see this question settled because I have not been satisfied so far with the answers given by the department and the minister. The minister says that regulations have been laid down in this regard. I want to see the regulations. I ask the minister to show me the regulations, the date on which they were passed and when they were promulgated and circulated so that the fishermen will know what they are up against. Then I will go home satisfied, but I will never be satisfied until I receive this information and fishermen of my province will never be satisfied until the department comes forward with this information.

This is a serious matter for a great many fishermen. Some of them, as I said before, have built boats in the 35-foot to 45-foot class. They did not actually need the boats but realized that a bigger boat would be more comfortable to fish from and figured that the government would pay the subsidy. They therefore said they might as well take advantage of the offer and avail themselves of a larger, more comfortable boat from which to fish. They built the boats in good faith. They were going to be used for other than lobster fishing. The were in the 35-foot to 45-foot class and the fishermen concerned fully expected that they would be paid the subsidy.

It has been a serious blow to these men not to receive the subsidy. Some of them borrowed money with which to build their boats. I know at least two fishermen who went to the bank and borrowed money in order to meet the additional cost involved in building larger boats. Some of the loans are still outstanding at the bank. In many cases the price of boats went up when the subsidy was announced. Therefore the fishermen have paid more for their boats. The government will have to live up to its commitment in this respect, a commitment that was made and which the fishermen accepted in good faith. If the government does not do this, I suggest to the minister that it will be in very serious trouble with those in my province who are directly concerned in this matter.

• (5:50 p.m.)

That completes all I have to say at this stage of the consideration of the estimates. There are one or two points on which I would like to question the minister, but I will not delay matters further now and will deal with them as the estimates come before the house item by item.

Mr. McCleave: Mr. Chairman, it is always a pleasure to say nice words about a maritimer, even if that is not always done by those from the maritimes. I started out today by complimenting the minister for the sizeable help his department has given the tourist industry in eastern Nova Scotia by the extension of the trout season in that area. I have written him a nice note to that effect, and now I say publicly what I have expressed privately. I hope he will be able to make a quick decision within the department about the possible extension of the salmon season, apart from the spawning grounds, well into the fall in that same area because fishing for sport can be built up on the eastern shore of Nova Scotia to the benefit of the population there.

Before I get to the main point of my brief address which will concern lobster trap losses I should like to ask the minister, as a humanitarian and a man of common sense, to exercise these faculties where they are not now bring exercised by the ministers of two other government departments. The first point concerns the Department of Transport. I see that the minister, a pseudo-maritimer smuggled in by Mr. Smallwood, has returned from his latest odyssey. I will be speaking to him when we deal with the estimates of his department concerning navigational aids which are of help to fishermen, but I hope the Minister of Fisheries will do something about the restoration of the Sambro lightship to its time-honoured position outside the approach to Halifax harbour. I am sure the minister has read in the fishing journals of the Atlantic provinces and in other publications how sorely the fishing industry feels about the loss of that particular navigational aid, especially in view of the *Cape Bonnie* disaster this past winter. I hope the minister will also use his influence with the Minister of Public Works to point out that by and large fishing vessels are growing larger and that a system of wharves which no doubt could cope with the problems of some 30 years ago is really not adequate if the fishing industry is to develop properly.

[Mr. McQuaid.]

I could give many examples from my own constituency but I will content myself with two. The first one is Sambro, a wharf built in the days of the late prime minister R. B. Bennett. Sambro bids fair to become and could become the sword fishing capital of eastern Canada. Many fishermen from Sambro derive a handsome living from swordfishing, but many of these men have to travel in their boats an additional 20 miles to Halifax and land their catches at another wharf simply because the wharf at Sambro is not large enough. I suggest that the minister exercise his talents on the Minister of Public Works and have the Sambro wharf extension added to the estimates.

The other place is Little Harbour in the other part of Halifax county. It is one of those delightful, picturesque places of almost postcard tourist quality. It is a fine little harbour with a thriving fishing industry. However, it is being stifled somewhat because the government wharf facilities are simply not large enough for the thriving fishery there. I think the minister understands the point that when there are more and larger vessels it is time to bring the physical plants along the seashore up to date as well or the fishermen will suffer.

The main part of my brief remarks concerns the grievous losses suffered by lobster fishermen in at least that part of Nova Scotia which I serve and I understand also in other areas. Rev. Neil F. MacDonald of Musquodoboit Harbour has been good enough to compile for me a list of fishermen in specific areas, the number of traps they had set and the number of traps they have lost in the present season. I will send the list to the minister but I should like to say that the figures Mr. MacDonald has presented are truly staggering. For example, one fisherman at East Petpeswick had 115 traps set and lost every one of them.

Mr. MacDonald broke down his report into four different groups and on looking at them I found that at East Peteswick 729 lobster traps were lost out of 954 set. At an estimated value of $6 per trap this is a loss of $4,300 for the seven fishermen affected, or a loss of about 75 per cent of the traps they used for catching lobsters. This is a grievous loss. The effect on the community of one person's loss would undoubtedly not be as severe but the fact is that the whole lobster fishing population of a very small village has suffered this loss in the last couple of months. Mr. MacDonald's figures cover 53 fishermen who had

set 7,972 traps. Of these 4,236 were lost, or approximately 52 per cent. I worked it out for each fisherman. On the average there were 150 traps set of which 80 were lost. At an approximate cost of $5 or $6 per trap the loss was from $400 to $480 for each fisherman.

These figures may seem very insignificant but as the minister knows—he must have heard of similar circumstances in his own riding so I know this will appeal directly to him—a loss of that magnitude to men of these small means is a truly staggering one. It would be equivalent to the loss of half of one year's salary and expense allowance for a member of parliament. I suggest that we should take a new look at the assistance we can give to lobster fishermen, especially when their losses rise beyond what can be regarded as reasonable levels. Of course I am not in a position to state what I think is a reasonable level, but I would say that obviously a loss of 52 per cent is very unreasonable. We could establish a disaster fund, but it is too late for that. We could extend the lobster fishing season, but that is of no great help when the men do not have the traps immediately at hand to replace their losses. They have lost the equipment which gave them the opportunity to earn a living.

It is now six o'clock but I should like to conclude my speech with a very short observation. A few days ago the hon. member for Queens-Lunenburg advanced the idea of a lobster trap depot. The movement of traps would be feasible because the lobster fishing season varies from one part of Nova Scotia to another. This was an idea which was developed in meetings with lobster fishermen in different parts of the Halifax riding by Mr. Buchanan, by my colleague from Halifax and by myself. I think it has some virtue. It would help the fishermen where the lobster trap insurance, generous as it is in certain aspects, does not. I hope the minister will consider my point and make some observations on it later in this debate.

The Chairman: It being six o'clock and in order that the house may proceed to the consideration of private members' business I do now leave the chair.

• (6:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Waterloo South (Mr. Saltsman), Nickel—possible restriction on amount available in Canada; the hon. member for Winnipeg North (Mr. Orlikow), Consumer Credit—inquiry as to legislation this session; the hon. member for Halifax (Mr. McCleave), Expo '67—demonstrations, Department of National Defence.

Mr. McCleave: Mr. Speaker, I think I have to raise a question of privilege. The word "Expo" should not be included in the subject of what I intend to pursue on the late, late show at ten o'clock. I noticed the word in the copy of the agenda that my whip has but I was dealing specifically—I think the associate minister is aware of this—with a particular situation in Halifax which has nothing to do with Expo.

Mr. Deputy Speaker: Then perhaps I can correct that for the hon. member for Halifax so that it will read in this way: the hon. member for Halifax, Demonstration—Department of National Defence.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

HOUSE OF COMMONS

PROPOSED SPECIAL COMMITTEE TO CONSIDER BROADCASTING OF PROCEEDINGS

Mr. Max Saltsman (Waterloo South) moved:

That a special committee of the house be appointed to consider and make recommendations on a system of televising and radio broadcasting the proceedings of this house.

He said: Mr. Speaker, I hope the initial applause is an augur that hon. members will look with favour upon this resolution and permit it to come to a vote tonight.

I believe the question of televising the House of Commons proceedings is of particular importance to a country like Canada. Certainly it is true to say that the newspapers do an excellent job of covering the proceedings of the house. Though we may quarrel with their reports from time to time, especially when we feel we have been misquoted, by and large it is felt that a good part of the proceedings of this house are given coverage in the press. However, one thing that the newspapers cannot do for this house is to describe the special flavour of a nation whose people are bilingual, a flavour that is reflected

in the debates here. I think it would be of enormous advantage to the people of Canada to realize the nature of the debates that take place, to hear these debates in one or the other of the official languages, and to witness the relationship that exists between our two founding peoples.

Again, Mr. Speaker, because we are a small nation in the presence of a large neighbour United States influence in this country tends to be very strong and is felt through the media of weekly magazines and television. We can use television to establish a better sense of identity in this country. It is the kind of medium of communication that would reach every corner of Canada and as such could counteract much of the American influence that is felt in this country.

Like all hon. members, I am very proud to participate in the work of this chamber. I never fail to be impressed by the fact that when I look around the house at the faces of the members and hear their accents I am looking at Canada. Words alone cannot convey this feeling to the Canadian people. I think it is important that they both hear these special accents and see those who speak them, a combination that makes up the mosaic that is our country.

A great speech is not only a news event; it is part of history. As history is written it should also be seen. We should have some way of preserving for those who come after us the words, the faces, the expressions and the emotions of the members of this house.

Think how important it would be to those attending school today to be able not only to read about the great figures of Canadian history but to hear their voices and see their faces as they deliver some of their memorable addresses. The events that have taken place in this house have implanted themselves upon history. We recall the pipe line debate, the debate on capital punishment, and the words of J. S. Woodsworth who alone spoke against the opinions which led this country into war. I am sure that each of us can think of hundreds of other occasions upon which figures in this house made their mark and whose voices should if at all possible be preserved.

Students visiting this house are quite often appalled by what they see here. They have the impression that every member of parliament sits firmly in his seat throughout the course of our proceedings, pays avid attention to every word that is spoken, that some kind of special debate and give and take occurs in this chamber to influence people on opposite sides of the house. Of course, this is not the way that parliament operates. One of two things would happen if the proceedings in this house were televised. Its image, which apparently is not liked by those who have seen it, would have to be explained to and understood and accepted by the public or this house would have to change its ways of operating.

I do not know which of these two things would occur but I believe that the decision about how this house should operate should take into consideration the opinions of the people that we were sent here to represent. None of us really knows who would benefit from the introduction of television in this chamber, but it is a new and important form of communication. Just as platform speakers are somewhat out of style in the new politics, perhaps some of the speakers who look good in print may not appear quite as impressive on television. This should not be any reason for limiting the kind of coverage that would take place in this house. Television would give a rounded perspective to what goes on and for that reason it would provide opportunities for all types of debaters and styles.

It is often said that members would play to the galleries. I think one of the things we have to face up to is that it does not require television in the house to make a member play to the galleries. This goes on all the time, and I think there is good reason for it. Much of what is done in this house is by way of informing public opinion and influencing public opinion. This can only be done by having the voices and opinions of the members of this house brought to the attention of the public at large. We know that what we say does not change opinions too much in the house. One of the great merits and virtues of publicity is that it will make our debates national debates and national dialogues. It is different in committees. There is more give and take, more willingness to accept opinions from whatever source they may come. Frequently there is a consensus. This behaviour the public should know about and see.

• (6:10 p.m.)

Some have been helped by television, others destroyed. We recall all the comments which were made about the Kennedy-Nixon debate and how it favoured Kennedy. We should also remember the McCarthy army hearings and how the image, face and words of McCarthy practically destroyed him when the public had a chance to examine what he was saying and doing. Whatever the effect

may be on those in public life I think the public should be able to examine and to make their own judgments. We televise state visits, state funerals and the speech from the throne, all magnificent experiences for those watching.

I recall being present in the chamber and hearing one speech from the throne and seeing that speech later on television and being impressed by what I saw. I saw a great deal more on television that I had seen in the chamber that day. Television is a medium that can make the most minute scrutiny of events and should be permitted to do so. Canada led the way in 1957 in broadcasting the state visit of that year. It was rebroadcast in Britain later and received enormous public acclaim. That led to agitation in Britain for similar television coverage over there. That was a first for Canada. The practice was developed here and accepted in Britain. It is always nice to say that Canadians have done something first, and my suggestion to hon. members today is that we have an opportunity to create a first in the British parliamentary system by having the proceedings of this house televised.

In other countries there is radio coverage. The houses of Australia and New Zealand are covered by radio. The proceedings of the Saskatchewan government are broadcast. Municipal councils are covered by radio and those who have listened to such programs have been greatly impressed.

The big question is, how is this to be done? That is why I ask that the matter be referred to a committee so that the committee may examine the ways and means of televising the proceedings of the house. Another question that arises is whether such coverage should be continuous. Perhaps we should be thinking of the possibility of satellite television when it comes and of one channel being devoted all day to the House of Commons. One might ask: Who will listen to something like that? I think a great many would listen. I am impressed by the number of people who read *Hansard* from cover to cover. Similarly, many people in this country would be willing to follow the debates in parliament from start to finish.

We tend to underestimate the drama of this house and the fascination of its debates. No one will deny that there will be problems with editing. Those might be overcome by some system of party allocation, as with radio broadcasts. I cannot make any specific recommendations or suggestions tonight. I only ask that this matter be referred to a committee to examine these questions and to make recommendations on them to the house.

What would the public see on some of these broadcasts? Let us admit that some of it would be pretty bad stuff. The words in the newspaper often make badly spoken words look good, but the words in the newspaper tend to be far more polite than the words on the original occasion. Viewers will see members reading papers, banging their desks, writing letters or perhaps asking a silly question. They might see or hear some of those private little "in" jokes that this house enjoys—private club jokes. They might see a house that is half full paying no attention to a member making a speech. It is those sorts of things that the viewers will see. Perhaps they will understand or perhaps they will not. But, much more important than that, the viewers will see the magnificence of parliament.

After they have overcome the initial shock they are bound to suffer from they will see what parliament is all about. They will see occasions they will never forget. I have been here for almost three years and there are occasions, debates and speeches that I shall never forget, and the same may be said of others who have been here. There is a great excitement in the chamber. As an example let me refer to the debate on capital punishment. There were speeches from all parts of the house, from members of all parties, that surely must have been among the most moving and thoughtful in Canadian history. I wish that all Canadians had heard those speeches as I heard them. It might have corrected some misconceptions.

We may remember the recent scandals that were headlined in every newspaper. The impression throughout the country was that this house was doing nothing but debating scandals, when the facts of the matter were otherwise. This house was occupied with other business and the scandal was being debated in the press and in a judicial process. All this the nation would have known had the proceedings of this house been covered by television.

Unpopular measures have been raised in the house. A number of years ago two members from my party raised considerable ire because of their conduct on the divorce question. Now some recommendations are to be brought forward to take care of this long-standing and obscured social problem. That process could have been hastened had the people of the nation been party to what was going on and had they heard the arguments that were presented then.

Proposed Broadcasting of Proceedings

• (6:20 p.m.)

I wish there had been television in the house today. It was a proud moment for this house with the Prime Minister (Mr. Pearson) speaking and presenting his point of view on the war in the Middle East. The members of the opposition party responded. There was intelligence, there was concern and there was timeliness. The nation should have had the opportunity of listening to what was said at this critical time. I saw the hon. member for Winnipeg South Centre (Mr. Churchill) being interviewed in the library. There would have been no need for him to be interviewed outside the House of Commons. He explained very fully how he felt about what was happening. Those words should have been heard directly by the nation from the house itself.

Many have spoken in favour of broadcasting the proceedings of the house. I believe that the views of three of our political parties are on record. My own party is on record as being in favour of televising our debates. The Leader of the Opposition (Mr. Diefenbaker), who has often spoken on this subject, has even indicated, to his credit, that he has changed his mind with regard to it. The Prime Minister has told us he is giving serious consideration to this request. When the committee on broadcasting met a few months ago it hoped to have its proceedings televised but apparently that was not possible under the rules. And, if I may say so, even Your Honour has indicated an interest in this question—I believe a favourable interest.

I would therefore urge hon. members to give this matter serious attention, to realize that this great new dimension is here, and to take steps to ensure that Canada is one of the first countries to benefit from this new medium so that this house, with its unique French-English flavour, may be seen in a way in which it cannot be reported.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, it is evident that the proposal that debates in this house be televised is becoming increasingly acceptable to hon. members. As was mentioned by the hon. member who has just resumed his seat, the Prime Minister (Mr. Pearson) told us during the debate on the speech from the throne that he would be quite willing to consider this suggestion and thought we might make a start by televising the sittings of our committees.

In other speeches made during that debate many opinions were expressed, the majority of them in favour of the proposal. The subject was again debated while the estimates of the Department of the Secretary of State were under consideration last week. I believe it was the hon. member for Okanagan-Revelstoke (Mr. Johnston) who is in his place today, who opposed the idea of direct broadcasting. I rose to ask him whether he felt there was any real difference between reporting the proceedings of this house in the press and having them televised directly. He replied that he was disappointed I was not more familiar with the media, and recommended that I read Marshall McLuhan's book "Understanding Media".

I have read, or tried to read, not only "Understanding Media" but other works by Mr. McLuhan. While there may be linear, tactile, hot and cold media, that is not what I was getting at in my question. If we decide that the proceedings of this house are to be made public rather than kept private as they were at one point in parliamentary history, how do we rationalize our conclusion that they can be made public by means of a public gallery or *Hansard* or the press or commentaries by radio and television people, but may not be broadcast directly through television and radio?

Some critics of this measure say that if our debates were televised members of parliament would be more concerned with acting and playing to the gallery than with legislating. I think the stimuli for acting or playing to the gallery are with us now. We have a public gallery, we have *Hansard*, we have reporters. I do not see that the introduction of television would of itself bring about the type of behaviour suggested on the part of members. Direct broadcasting would amount to a change in degree rather than a change in kind.

If members of parliament are more concerned with acting than with legislation I do not think a solution would be found by limiting the types of media which report our proceedings. No doubt there would be problems. It might not be possible to televise all the proceedings from 2.30 until 10.30, in which case there would have to be editing. The question would arise: Who is to decide what shall be shown? We are, of course, faced with this situation now. We have no control whatsoever over the men and women in the press gallery who write about what goes on in the house. We have no control over the editors who decide which stories shall go on page 1 under headlines and which shall be buried on page 45. In any case, nothing is accomplished by restricting the media.

Personally, with respect to the responsibility of reporting what goes on in this house I should like to see something organized in Canada along the lines of the press council in Britain where the men who report the news have banded themselves together into a professional group to receive complaints from the public and discipline themselves if there has been a breach of their own ethical code. This might result in the public getting more truthful and factual information about parliament.

I should like to mention a few things which have happened because the proceedings of this house are not televised. One is that many television and radio stations stage their own debates with their own panellists. These debates are very often the only ones the public sees and hears. The real debate, which goes on in this house, does not always filter down to the public. What the public sees is "Platform" and other programs of that nature. I object to programs of this type being the main forum of debate. I do so because those who take part in them are not chosen democratically as are the members of this house. They are chosen by the people who organize the programs. If our proceedings were open to the public through television I think a lot would be done to bring public debate in Canada back to the House of Commons.

• (6:30 p.m.)

If we look at the history of parliament we see that the arguments given both for and against the televising of parliamentary proceedings were given in the past with respect to admitting the press to the press gallery, with respect to the reporting of proceedings in *Hansard*, and so on. Hon. members who have studied the history of parliament know that originally the proceedings of parliament were held in private, and it was a breach of privilege to publish them in any way. Of course there were reasons for this in the early days of parliament. Members of parliament were afraid of the reactions of the crown to some of the things they might say in the house because in those days the crown was powerful. Members of parliament were also afraid of the reactions of the mobs.

It was only in 1641 that certain reports began to appear with the printing of votes and resolutions. Division lists were published for the first time in 1689, but even in 1696 the Commons ruled that it was a breach of privilege to publish the minority list in a division. This later changed.

At the time of James I any stranger coming into the room or chamber where the Commons sat had to take an oath that he would not tell outside the house what he heard inside it. The two arguments that we see throughout history being used against opening the House of Commons to the public were, first, that the speeches and the proceedings of the house would be misrepresented and, second, that if the proceedings were open to the public the members of the house would become more accountable to those outside the house than to those within the house. I think today most hon. members would agree the second argument would not have too much weight because a lot of us realize we are accountable to those outside the house. But the first argument, misrepresentation, is still the main argument used today.

In the early days some members took notes within the chamber in Great Britain and these notes found their way on to bulletin boards, into coffee houses, and into small printed journals. For a long while there was no press gallery. Members of the press had to sneak into the public gallery, and because the taking of notes was not permitted in the public gallery they had to try to remember what went on and print their reports from memory.

At the very beginning these reports were printed with fictitious names to get around the ruling on privilege. These reports would appear in the journals of the day with fictitious names, but the public knew they were reports of debates. The public came to know the fictitious names and to identify them with certain people in parliament.

Finally, in 1771 the matter came to a head when a man named Wilkes printed the names of people involved in debates. Breach of privilege was claimed in the house and certain delegations went to parliament on Wilkes' behalf. Finally the mayor and council of London were sent to the tower for taking his side. I would like to refer to a book published by the Hansard Society, "Our Parliament", in which this incident is reported. It says:

> The corporation of the city of London, headed by the mayor and an alderman, both members, and inspired by Wilkes, championed the printers' cause. As a result the house committed the mayor and alderman to the tower. There they were so overwhelmed with visits, compliments and presents, that their imprisonment became one long ovation. There was no doubt on which side the public sympathy lay. After six weeks' confinement the prorogation released the prisoners, and a year later the sheriffs were able to boast with justification that the House of Commons had "tacitly

acquiesced in the claim made by London citizens on behalf of the public at large that the constituents had a right to be informed of the proceedings of their servants in parliament."

After this incident, reporting was still a breach of privilege but reports were published with impunity. However, reporters still had to go into the public gallery and were not allowed to take notes. A separate press gallery was only allowed with the rebuilding of the house after the fire of 1834. Finally, in 1845, by order of the British House of Commons, reporters were allowed to go into the press gallery and report the proceedings of the house.

This same debate continues today, and the same arguments, with respect to television and radio. A couple of weeks ago when this matter was being debated on another occasion, the hon. member for Winnipeg South Centre (Mr. Churchill) suggested that we might start with radio. I think I would prefer radio to nothing at all, but when we have television, which is a much more complete medium, I cannot see any reason why we should not use television.

As the hon. member who proposed this motion said, proceedings in the New Zealand House of Commons have been reported directly by radio since 1936, and it has proved a very popular program there. In Australia debates have been reported since 1946, but according to the commentaries I have read it has not proved as popular in Australia as in New Zealand.

In the United Kingdom in 1962 a private member's resolution was put on the order paper to provide for televising proceedings, and it was sponsored by 28 members of that house. The subject was again discussed in the United Kingdom during debate on parliamentary reform in 1963. During that debate the *Times* of London, of July 30, 1963, carried a full report in which was quoted the remarks of minister without portfolio, Mr. Deedes, as follows:

"What troubles me about the house," Mr. Deedes, minister without portfolio, has said, "is not its proceedings, but its communications.... There is a very big gap, too big for an informed democracy, between what happens in the house and what people think happens. This has led to suggestions that House of Commons proceedings should be televised."

The motion before us, Mr. Speaker, asks that this matter be sent to committee for study. This is a worth-while suggestion but I think it will only delay a decision. I would rather suggest that we start off on an experimental basis, allowing under your jurisdiction, Mr. Speaker, the televising of certain proceedings of parliament, maybe the question period one week, maybe a particularly interesting debate another week, maybe some of the committees that would be of interest to the public a third week, and this at first without any general authorization that would be final.

I suggest it should be done on a temporary basis at first, and afterwards the house would have an opportunity to assess the results of the experiment.

In conclusion I would like to congratulate the hon. member for presenting this motion to the house. It gives us an opportunity to discuss the pros and cons once more. It is my personal feeling that some day the proceedings of the house will be televised, and the quicker we do it the better it will be, not only for us but for the people of Canada.

Mr. David MacDonald (Prince): Mr. Speaker, it is not very often that members from various sides speak in this house on an issue on which there seems to be such great unanimity, but I believe this is true of the matter we are dealing with this evening. Indeed I wonder why it is necessary to continue discussing the implementation of this motion. Perhaps it is because our rules and procedures are lagging behind the normal good sense and judgment of the majority of hon. members.

The remarks I am going to make this evening will be in some way supplementary to ones I made earlier in the house, on February 10, 1967 which are to be found at page 12918 of *Hansard* of that date. I will not attempt to repeat the remarks I made at that time in general explanation and justification of the need for broadcasting the proceedings of the House of Commons and its committees. However, I do want to commend the hon. member for Waterloo South (Mr. Saltsman) for bringing this matter before us again, although unfortunately I suspect that this too will die at the end of this hour. Thus our hope will have to be for later action.

As I said at the beginning, it is difficult to know why we must take so much time to make a decision that seems so right. Many months ago the Prime Minister (Mr. Pearson) indicated that he was very interested in pursuing the possibility of televising the proceedings. He again referred to this in a speech in the house some short while ago. For some time the Leader of the Opposition (Mr. Diefenbaker) has been on record as favouring the idea. Most backbenchers agree that it is

an important step for us to take with regard to the performance of our duties in this house.

• (6:40 p.m.)

Many months ago there was an application by the committee on broadcasting, films and assistance to the arts to consider this matter. This application was referred to Mr. Speaker who said that it is a house decision concerning whether or not we pursue this important question. However, whether or not we make the decision here, our work and our activities of course are being reported day by day and sometimes hour by hour. As the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) said earlier, this in fact does give us reporting of the House of Commons—which I might say is inadequate, not in terms of the people performing the services by radio and television, but simply because in effect it is not a realistic, or perhaps I might say not an honest, appraisal of what is happening in this House of Commons. We have rather a furtive coverage, if I might use that term. The other night the Minister of Finance (Mr. Sharp) was able to rise in his place and give his opinion on the budget, but only afterward, outside in the hallway, was be able to sum up for the millions of viewers how the finances of our country will be arranged in the coming months.

This is a second rate way to treat the Canadian citizenry. They are not allowed to hear at first hand reports of this kind. There have been attempts in recent months to simulate the proceedings. I remember a committee which held a series of meetings a few months ago, and after the session was over one television crew attempted to simulate the committee hearings as if the committee were in session, by having questions and answers given. I do not know whether or not they fooled anybody. I was interested in the fact that the committee on consumer credit had some sessions televised. I wondered about the correctness of this action, but since I am an enthusiast in this I was not one to raise a cry. There is such a strong feeling that we should carry on with this task that consideration has been given to simulating some of the proceedings.

We have reached the point now where the government house leader has said, in answering a question asked during the question period, that this whole question will be raised before the committee on procedure. I do not know whether or not this is the best committee before which to raise this question, although I believe the members of that committee are perhaps best able to understand the procedure of the house. I would hope, however, that there would also be on the committee some members who would understand the involvement of the public in any decision we may make in respect of this matter.

I think it would be interesting to look at some of the arguments—perhaps I might describe them as fears—which have been expressed about the possibility of the proceedings of the House of Commons and its committees being broadcast. First of all I will mention one which probably never will be mentioned publicly, but which I am sure rests in the minds of our members who have some seniority in this place; that is, there is a sense of sacredness, that this place is somehow something special. The longer one spends in the house the greater is his respect for it, and the greater is his sense of—one could almost use the word "holiness"—about what this place represents.

Mr. Herridge: A very wise and interesting statement.

Mr. MacDonald (Prince): Yet I would say that we should not interpret the word "holiness" in the way some of our latter-day leaders have been attempting to interpret it, in the sense that we close ourselves off from the people and the world. I do not wish to become involved in a discussion of theology, but I should like to remind members that the root meaning of the word "holiness" is "healthiness", and this implies something about the body being vital and whole. If we prevent in any way whatsoever the people participating in knowing what is happening in this place, then we are doing a disservice to the house. If there has been—and I sense that there has been—over the past few years in this country a growing disillusionment with and despair about parliament and politicians, part of that I believe is due to the fact that we have cut ourselves off from the public. I realize that a hundred members could jump up and say that this is not true, on the ground that they send hundreds of letters to their constituents, have many personal visits with their constituents have many telephone conversations, and intercede on their behalf on many occasions. But that is what you are doing, in a sense, as a member outside this house.

I am talking about the decision making which affects the lives of the Canadian citizens. It is in that sense that the people feel cut off. I think it stems from being unable to participate in and know and see how in fact we represent them in deciding the affairs of state which affect their lives. So, if we are thinking of this place in terms of its sacred quality, or in terms of its importance to the country throughout history, then let us not give it a narrow interpretation but rather a broad and realistic one.

The second argument I think against broadcasting in this House of Commons relates to costs. I see figures, particularly those given by people writing in the newspapers, concerning how much it would cost. Surely the small cost in comparison to what it would do in terms of public enlightenment would indicate that we are being penny wise and pound foolish. The small amount of money that would be necessary to have set aside for the establishment of permanent radio and television equipment I do not think is a cost which we should bother ourselves about. Surely not, too, when we will be spending this year $140 million for one year's operation alone of the Canadian Broadcasting Corporation.

Also, as has been mentioned this evening, there is the concern some have that there would be some acting, if you like—some role playing, some playing to the gallery. Mr. Speaker, I suppose all of us to a degree are actors; otherwise we would not have gained a seat in this place. We have had to be adequate enough performers in our own area to convince a majority of the electors that we are necessary to them. I believe, however, that when we think of people who are playing to microphones or television cameras, we should not think only in terms of the negative effect but also we should think of the positive effect. Surely members will be conscious of the radio and television facilities in this house. Surely, when they rise to ask a question, make an interjection or make a speech, they will be conscious that their face and voice are going out across the country. That will be a good thing. Then maybe we will be able to cut out many of the questions and comments which have not been well advised. It may tend to eliminate some of the time which, in truth, I think is wasted in this place.

Perhaps, if great portions of the proceedings are broadcast—and frankly I do not argue for that—the people will be conscious of the fact that we spend too much time debating matters of procedure and in allowing ourselves to be caught up in and concerned with matters of procedure rather than in dealing with the essential issues. I do not think it would do any harm at all to allow the public to have a much more constructively critical eye on how we govern ourselves in this place.

In introducing the resolution, I believe the hon. member for Waterloo South (Mr. Saltsman) suggested that a channel should be set aside for the continual televising of our activities here. I believe the experience of countries which have attempted this with radio is that this is not a necessary step and in terms of its reward in fact might be too costly. I do not think there are many newspapers which furnish verbatim accounts of everything which goes on in this house. Even the best newspapers we have in this country and in others at best give a precis of the highlights of a day's session.

This is the kind of thing I should like to see presented both on television and radio. This, too, I think is an area in which people become concerned about the editing. Questions were raised in the Britsh parliament, and have been raised here in discussions concerning this question, about who would do the editing, and who would get to appear on the national news at eleven o'clock to ask his or her questions. Surely we do not say to any of the representatives of newspapers in the gallery, "Be sure to submit your copy to us in advance so that we will know you have given us a fair representation". We would rather have the opportunity to complain about it the next day, when we could read the papers for ourselves. We do not believe in effect that we should exercise this kind of censorship, because it is not in the interest of our system or concept of freedom. I think it might be a good suggestion made by the hon. member earlier to follow the procedure of a press council, such as obtains in Great Britain, where there is some kind of self-discipline imposed; but I would abhor any attempt on the part of parliament, government or any group arbitrarily to edit the news. These people are newsmen and they know what is news. They know what in fact will be of major importance to the public; and I think if we believe in the freedom of the press, this kind of decision should be left ultimately in their hands.

• (6:50 p.m.)

Naturally we know all too well from experience that when this freedom is trespassed and when licence rather than freedom exists in the press there is recourse still left in this

house and the courts to take action of that kind. Therefore I for one would not fear the editing that would exist in the C.B.C., the C.T.V. or any kind of news agency reporting the proceedings of this house.

Finally I should like to refer to one of the objections that some members have had in the past, namely the fear that once they have said something on television or radio they would have great difficulty in correcting it, changing it or retracting it because there would be an immediate, once and for all kind of contact with the viewer or listener. Surely that is what we are trying to achieve in the modernization of our democracy. Surely the trouble in implementing so many of our decisions in recent years has resulted from the lack of communication, the lack of contact and the lack of involvement with the people of this country. It is not just good enough to lay down a barrage of material at election time when the public tends to be highly sceptical. We must have an on-going dialogue with the people between elections, so they will exercise their franchise competently and participate competently in this system.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I admire the way in which the three previous speakers assumed that there is complete unanimity in this chamber on the subject, to the point of using up almost the entire hour. It would take a better speaker than myself, I am sure, to counter all the things that have been said in support of this resolution this afternoon in the minute or two left to me, but I will do what I can.

It has been stated that the public has a right to know, and that so-called right has been elevated to an absolute, it would seem. That process of elevation has been in evidence in the debate this afternoon. The right of the public to know has impinged very much on the right of privacy of the individual. This right to know, if television is allowed into this chamber under the guise of increasing the knowledge of the public, will impinge on the equally important right of this house to deliberation; and by that I mean to be deliberate, to take time, to be dull and to talk endlessly if necessary, and do all of those things that are bad television. Once we start televising procedures in this chamber I am sure we will not long be allowed to continue doing things that are bad television, because the medium will not stand for that.

The thing that concerns me most about the arguments presented this afternoon is the feeling that by televising this chamber it will do all things, that it will be a panacea, that it can take off weight or put on weight, just like the old snake oil which promised everything. We are told that it will give the drama and the glory of this chamber. We are told on the other hand that bad aspects would be exposed. I wish some of the people arguing would make up their minds about which they are going to show, the drama and glory or the bad things which should be exposed. I am sure that, like all panaceas, which are not cure-alls at all, there will be a host of side effects which will be far more deadly to this institution, and will not be offset by the supposedly good things that will come out of this proposed move.

We on the North American continent are suffering from an urge to rush into history, and this is spreading to other parts of the world. We know the agony of public figures in the United States who have been concerned that the record be immediate and rushed out to the public. This has not meant that the people know any more of the truth of what actually happened, but confusion, bitterness and ignorance have all grown at the same pace.

We have an excellent example in this country of a very small institution that was one of the best in the country and rated high among those in the world, but which was virtually destroyed by television. I am speaking of the Leslie Bell choir. This was one of the finest we had, and it grew as a result of public appearances and radio. Once we had television it was natural to insist that this be brought to all Canadians through television. Mr. Bell found that he was no longer just a choirmaster, because he was told that people would not watch this choir stand idly singing, and that they had to move around. As a result to his great regret he became a choreographer at the same time, ultimately gave up televising and, in a sense, lost enthusiasm for the choir he had built up through different media.

For people to say that the effect is the same when you move from one medium to another is complete and utter ignorance, and is a misrepresentation of what by now should be obvious to Canadians. We were told the other night that television spared the United States from having Mr. Nixon as president. If it did that, then it was only an accidental by-product. Those television debates showed North America that the thing that mattered in that contest was the rate of growth of the whiskers of the candidates. This became the important matter, and what happened afterward was only an accident.

I can give you an example of what has already taken place through televising, and I refer to the televising of the throne speech. Let me say only this about that situation. I was talking to one of the persons involved in televising that speech. He said the red carpets and red draperies will have to go because they bleed into the picture and everybody looks pink. I suggested that maybe it was the cameras that should be changed. That was heresy on my part: It was the chamber that would have to be changed; and if television comes into this chamber, the chamber will have to be changed. This is inevitable, and if it happens this will not be the same chamber.

Mr. Speaker: Order, please. The hour appointed for consideration of private members business is now expired.

SUPPLY

The house in committee of supply, Mr. MacDonald (Prince) in the chair.

The Acting Chairman (Mr. Macdonald, Prince): Order, please. The house again in committee of supply. It being 7 p.m., pursuant to standing order 6(2), the committee stands suspended until 8 p.m. I do now leave the chair.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

[*Translation*]

The Acting Chairman (Mr. Richard): The house in committee of supply on the estimates of the Department of Fisheries, item No. 1, department administration.

[*English*]

Mr. Bower: Mr. Chairman, I have a few brief observations to make on the presentation of the estimates of the Minister of Fisheries. First I should like to express my appreciation, and I am sure the appreciation of all my constituents, for the recent gesture of the minister in extending the lobster fishing season in district No. 4. This will no doubt be of great help in alleviating the very bad season experienced by the lobster fishermen in that area. Because of storms and bad weather conditions, their harvest to date has been perhaps only 50 per cent of the normal. The extension will at least give them a chance to recoup some of their losses. I am sure we in that part of Nova Scotia are all very grateful for the gesture made by the minister.

At this time I should like to refer to the statement made by the minister in connection with the sealing operation in the gulf of St. Lawrence. I found it a careful, thoughtful and convincing statement which pointed out the importance of this industry to the economy of the area. The statement also pointed out very clearly that the seal hunt was being conducted in a humane manner. Perhaps there could still be some improvement in this connection and a correcting of some of the faults there may still be in the methods used to kill seals, but any reasonable person who takes the trouble to read the statement will be convinced that the almost world wide hysteria that has been aroused by some well meaning people, no doubt, but who have not taken the pains to see what has been done to improve the seal hunt, is completely unfounded. I feel that the statement must be publicized and brought to the attention not only of the Canadian public but the world at large, so that this criticism which has been such a reflection upon Canada as a whole may be dissipated.

• (8:10 p.m.)

However, I think I would be remiss if I did not give full credit to the minister for having started the job of correcting public opinion on this subject. The people in my constituency are not interested in the seal hunt in the gulf of St. Lawrence but they have a deep sympathy for the people of that area and they realize only too well that the hunting of seal, which is a harvest just the same as the harvest of the domestic animals, which we all hate, is a vital part of the economy of that area.

I should like to appeal to the minister, who is undoubtedly interested in expanding the fisheries, to co-operate with me in my constant battle to get some action from the Minister of Public Works in the expansion of existing facilities. I would point out to him that in my constituency there is a need for new facilities or for an expansion of existing facilities because the fishing fleets have grown larger, and in some cases the facilities have fallen into disrepair.

There is another minor point which I should like to mention in connection with this, and that is that the planning of work, so far as dredging is concerned, is not well handled. For example we are now approaching the herring fishing season and a number of the wharves need dredging. They need it now, when the season is starting, not after the

season is over or in the middle of it. I should like to ask the Minister of Fisheries whether he would consult me on some of these lacks and deficiencies and exercise some influence on his colleague in the cabinet, the Minister of Public Works. I will not name the individual items now because I do not think it appropriate, but I shall be very glad to bring them up in detail later in the course of the consideration of the minister's estimates.

I recall hearing the hon. member for Queens in his speech this afternoon make some comment on the increase in this year's estimates of the department. I observe that the increase over last year has been some 11.5 per cent, but I also note that the total amount is about one quarter of the total value of the 1966 exports of fish from Canada, which was about $219 million. I am not so concerned about the amount so long as it is worth while. It is a very substantial overhead figure and consequently it is imperative that it be well spent or we will indeed not get fair value in return.

Earlier in the debate mention was made of the east coast salmon fisheries. I should like to hear from the minister on what has been done or what can be done in connection with protecting the salmon in the Davis straits area, where I understand it has now been discovered they gather for their return to the east coast rivers to spawn. The salmon fisheries in the east coast, while not of the same tonnage proportion as those on the west coast, are extremely important to the economy of the maritime provinces, and it would be nothing short of tragic were protective measures not taken soon enough and in adequate proportions to protect this important item in the economy of the maritimes.

I have heard a number of comments from people in the western part of Nova Scotia on the question of the berried lobster, that is female lobsters producing eggs when in the pounds. I should like to hear from the minister as to why it would not be more practical and in the better interests of conservation to establish a system whereby the pound owners would be reimbursed for lobsters which they bought in good faith and under legal conditions for pounding during the season. When these lobsters are found to be in that condition they could be purchased and returned to sea. I have not at all been satisfied so far with any of the arguments against such procedure. I understand that the fish buyers pay a certain licence, which I believe is $1,000; but surely that cannot be a controlling factor in this matter, because the propagation of the species should be far more important then the odd thousand dollars received in licence fees from pound owners.

I must emphasize that the 12 mile fishing limit continues to be an extremely lively and important issue in Nova Scotia, particularly in my constituency which lies in the western part of the province. While I appreciate the pre-occupation of the Secretary of State for External Affairs with a most vital issue at the present time, I hope that this temporary interruption of his attention will not result in a forgetfulness concerning the 12 mile limit for another year, two or three.

Mr. Allmand: Mr. Chairman, I would like simply to ask the minister a question. As he knows, several hon. members have referred this afternoon to the seal problem, and the hon. member for Vancouver Quadra put forward a suggestion that possibly in the fall some matters in connection with the subject could be referred to the fisheries committee. As the minister knows, there is a group in Canada which has been campaigning very vigorously for the abolition of the seal hunt. I do not know whether it is numerous, but many allegations and demands have been made and even what I would consider to be some unnecessary language was used by these people. My point is that to a private member there seems to be many contradictory statements and many facts which I feel should be clarified. Therefore I wonder whether the minister would consider referring the whole problem of seal hunting in the gulf of St. Lawrence to the fisheries committee, which would not only study the problem of seal hunting but also the economic conditions and everything else that might pertain to seal hunters. There have been allegations that we could very easily do away with the seal hunt and that the sealers would still be able to find other means of employment. There has been a dispute over how much the sealers get out of seal hunting, and who benefits from the seal hunt, whether Canadians or people in other countries.

• (8:20 p.m.)

I think it would be worth while bringing these people before a committee so they could give evidence to support their claims. They would be subjected to cross-examination and re-examination and experts from the Department of Fisheries could also appear and give evidence. I think that then the public in Canada could be properly informed on all sides of this issue. As it is, the group that has been organized is going round the country

making speeches and showing films, and there is no one at the meetings to contradict them. I think it is better that they be brought before a committee which could question them and ask them to substantiate the allegations they are making publicly. I think such a reference would be worth while.

I would be interested in hearing the minister answer later, perhaps at the end of the estimates, whether this might be a worthwhile procedure.

[*Translation*]

Mr. Godin: Mr. Chairman, when we consider the estimates of the Department of Fisheries, we notice that the Canadian government makes a contribution to international research, allows subsidies for the construction of freezing and storage facilities and fishing vessels, and also subsidizes practically all fields of fishing. The department must be congratulated for that assistance which proves that the minister is really aware of the significance of the fishing industry in our country, a large country with thousands of miles of coastline on the Atlantic and Pacific oceans, vast inland seas and very great rivers. It is gratifying to see the enviable position our country has attained in the world markets with the assistance of the department. On both coasts of this country, that is, in the two areas where the fishing industry is the most important, the majority of workers have felt the need to organize and to protect their interests.

So now they are union members to negotiate better working conditions with their employers or again members of co-operatives to process and market their products.

Nevertheless, a certain number of Canadian fishermen are currently in a disastrous position, and I wish to call the attention of the minister to the fate of the commercial fishermen along the St. Lawrence river, below Montreal. In the constituencies along both shores of the St. Lawrence river, between Quebec and Montreal, fishermen can be found who succeeded very well in earning their livelihood and that of their families. These fishermen are not relying solely on luck but on organization. They own commercial equipment, hundred foot long drag seines or large traps, made of wire or various materials and called different names according to the areas.

To tell the truth, a fisherman does not fish. One might say that he draws from our resources, that he collects and loads his boat with hundreds, even thousands of pounds, and when the fishing is good, his catch may reach one or more tons. In the past month, I have met several of those fishermen who told me in confidence that they were desperate in the present situation. As a matter of fact, the situation is more than desperate, it is tragic.

Those people who managed to earn $5,000 and sometimes $7,000 a year saw their earnings go down last year to as low as $600. And as things are going this year, that is, in 1967, if nothing changes, one wonders if they will manage to earn $100. And earnings of $100 for people who used to make $5,000 and $7,000, are really not a gift in this centennial year.

From Orleans island, near Quebec city, to Montreal, dead fish has been found on the shores of the river for a year and a half. Pike, pickerel, bass, carp and even eel are dying by thousands. Such a thing has been unheard of in the area in the last fifty years at least. We know that everything concerning water pollution is considered jointly by the central government and the provinces. However, I have to denounce the Expo corporation which has been polluting the river since 1965 and 1966. This is still going on, during the centennial year, since DDT or rather Rothane, if you prefer, has been poured in the river at the beginning of this summer; that is 2,700 gallons, or 27,000 pounds of violent poison.

Experts, paid to say that this violent poison is harmless cannot but agree that it is.

To the experts who are paid to say it is not dangerous, I who was paid to sell that violent poison for ten years as a salesman of insecticides to farmers, repeat that it is a violent poison and that the present situation is due to that poison dumped into the river continuously for the last three years. I hope that the minister will tell us what influence was brought to bear so that this criminal act, repeated by the people responsible for Expo, is condoned by the central government in Ottawa.

I also hope that the minister will tell us what the Department of Fisheries intends to do to help all those fishermen without another source of income, for those workers who are not asking anyone for anything and pay taxes like all other Canadians.

Will the minister tell us also what the cost will be to the Department of Fisheries because the Department of Energy, Mines and Resources neglected to assume its responsibilities before the damage had been done?

Mr. Chairman, I will deal briefly with this subject, in view of the fact that it is a matter of life or death for some fifty citizens living along the shores of the St. Lawrence. I ask the minister to make his views known on this, and

I hope all other hon. members representing riparian ridings will also make their views known on this situation.

[*English*]

Mr. Noble: Mr. Chairman, I should just like to assure the minister that my remarks will not be too long. Only a few members of the house are interested in the Great Lakes fishery, and I feel during consideration of the estimates some matters with respect to the fresh water fisheries should be mentioned. I am mainly interested in the Georgian bay and lake Huron area.

The Great Lakes fisheries are under the jurisdiction of the provincial government. However, I know the federal government, in co-operation with the United States, are supporting the International Great Lakes Fisheries Commission, and anything of an international nature is considered by this body.

It is in respect to the area around Georgian bay and lake Huron that I am seeking information. The waters I speak of have been depleted of lake trout for a long time, and we all know that this was a result of the invasion of the sea lamprey which destroyed the lake trout. The program of lamprey control has been in operation for quite a number of years, but I would ask the minister to bring the committee up to date on what progress has been made in this regard. What is the government's contribution to this program, what will be the total mount spent by the International Great Lakes Fisheries Commission for 1967, and will the operation this year be concentrated in any specific area?

• (8:30 p.m.)

In other words would the minister like to speculate on how soon trout stocks can be introduced to lake Huron with some hope of successful propagation? I would ask the minister, does he have information about the successes of splake plantings? This operation has been under way for some time in conjunction with the International Great Lakes Fisheries Commission and we have heard little about it. The fishermen in my area would like to have up to date information on this project.

I should mention to the minister that several years ago, as he knows, I promoted the introduction of sockeye salmon or kokanee, to the great lakes. With the co-operation of the premier of Ontario and one of his chief research workers we successfully introduced kokanee into Georgian bay and lake Huron. Perhaps the minister already knows this, but we were successful in having kokanee come up to spawn, at 18 months of age. They were not expected before three years of age. On this project we are being kept up to date. Because of that I wish the minister could tell us what progress is being made on other programs I have mentioned. From the information I have had from the International Great Lakes Fisheries Commission I have learned that they are promoting splake in preference to kokanee even though the kokanee is showing more signs of success than is the splake.

If the minister could answer those questions I should be well satisfied.

Mr. Bell (Saint John-Albert): I wish briefly to bring up a matter which I have discussed with the minister. In the house on many occasions I have mentioned salmon fishing. When the estimates were before the house last the minister replied extensively about what his department was doing and I was well satisfied with the answer—though I hasten to interject that no matter what is done, it is never enough.

We are faced on the Saint John river with another dam. Regardless of how optimistic we may be it will change the habits of the salmon. Provision is made for the protection of the salmon and we are hoping that this will be of benefit. The pollution of the Saint John river also is becoming worse. The hon. member for Victoria-Carleton the other day referred to this matter.

I should prefer to discuss later the matter of the new licensing policy for the salmon net fishermen in Saint John harbour, but since this may be my only opportunity for some time I wish to place on record briefly one or two thoughts in mind.

I understand from information that has been given to me by the department that in April of this year a new policy was enunciated by the minister with respect to the licensing of salmon fishermen in certain areas of New Brunswick and Nova Scotia. This new policy comes under the authority of the old regulations; there is nothing legislatively new about it. I am interested in it, and I think we are all interested in conservation. Though we must be careful to protect our resources I do not know how much notice the fishermen received of the new policy. I know that the new salmon restrictions were published extensively, but I wonder how many of the actual fishermen, those who are engaged in the activity covered by the regulations, knew of the policy? They must be made aware of it for the policy to be effective quickly.

I hope the minister has the information I am about to ask for. If he has not, perhaps he could let me have it later. I know that he will give it to me. My question is this: How many applications for licences in the bay of Fundy were received this year and turned down as a result of the new policy restrictions? I know that there is a problem of the harbour as against the bay. I always found it hard to understand why we restrict salmon fishing in the bay of Fundy but not in Saint John harbour? I hasten to add that my prime concern is with the Saint John harbour. I wonder what the attitude of conservationists is about salmon stocks in these two areas? Why are they concerned with the bay, but not with the mouth of the harbour through which the salmon past? It may be that the authority would be hard to impose in the harbour. Perhaps the minister might confirm this.

I am also interested in the bona fide fisherman as against what one might call the moonlighter. We are all interested in conservation, and I know that any serious salmon fisherman will go along with something that is being brought forward sincerely to regulate fish stocks. But I understand that the main reason for the new changes is that for a couple of years salmon fishing has been extremely good, and the department wishes to move in to this area of activity. Is this the reason? Is the cycle of salmon fishing so good that these restrictions need to be brought forward?

Having said that I suppose the minister will also wish to comment about what one might consider discrimination against certain classes of fishermen. It is important that the fisherman, whose prime occupation is fishing, should be given extra consideration when applying for a licence. Some fishermen who have fished for many years are none the less not fishermen, primarily, fishing is not their main occupation. I wonder if the minister has considered that. Without going into the regulations, and I hope the minister will correct me if I am wrong, I understand that under extenuating circumstances consideration will be given to licensees.

I also wish to know whether the figure 120, which refers to the area in which I am interested, will be maintained. In other words if one or two vacancies occur this year will the minister seek replacements next year, or will he be satisfied with a lower figure?

The other question has to do with salmon fishing. In my area we have a great salmon river. On the order paper I have a question which has not been answered yet. I do not criticize the minister, because it is necessary to compile figures. As I say, coming from the bay of Fundy we have a nice salmon river that was famous for many years for its salmon. The fish count decreased because of pollution and industrialization, and the weird habits of the salmon. The salmon count at one time went down to almost 100. Recently, though, for some strange reason—I do not know whether that reason is the dam—we have counted from 3,000 to 5,000 salmon in this river. I might add that the federal government has taken considerable interest in this waterway and it can take a great deal of pride for spending money in a worth-while project that has increased the salmon count.

[Mr. Bell (St. John-Albert).]

• (8:40 p.m.)

The project of which we are proud was undertaken in conjunction with the Fish and Game Association of Saint John, New Brunswick. That project was the pride of anybody who went to the river to fish. Recently an altercation took place between the private company and others, and the question was asked whether the provincial government had certain privileges in the area. I limit my criticism to this, because it appears they are on the horns of a dilemma. But I understand this private company has exercised fishing privileges, or privileges on the river which give it fishing rights, and now this salmon pool which was so valuable to many in our area has been lost to the fishermen.

I say that the federal government should have protected its investment to a greater degree. I should like to know if the department was consulted in the course of the negotiations which took place between the provincial government and the company, as a result of which the company was able to obtain these valuable salmon pools. I should like to know also the terms of the contract which was entered into when we expended these large sums of money originally there. That is all I have to say. I reiterate my interest in salmon fishing and in all forms of conservation in connection with both salmon fishing and commercial fishing.

Mr. Herridge: I want to make a few brief remarks on the question of conservation generally on behalf of members of rod and gun clubs in my area, those interested in sport fishing and recreational facilities and those interested in the development of the tourist industry.

From information I have received from my constituency I judge that the provincial government takes a unilateral approach to the

development of sports fishing in British Columbia. I think this was clearly demonstrated by the difficulties experienced by the minister in connection with the Stellako log drive in connection with the activities of the provincial government, when some sharp protests were made by those who are interested in the protection and development of sports fisheries in our province.

Then there are a large number of lakes in British Columbia which are becoming infested with coarse fish, which are driving out fish such as Kamloops trout and Dolly Varden. I am also informed there is a large export by the provincial government of kokanee eggs to the United States, though many people feel these should be used in Britsh Columbia. I am not aware of the terms under which these eggs are exported. I trust the minister will explain some of these things to me when he replies later.

I should also like to know whether there is any co-operation between the federal department and the provincial department of fisheries with respect to the development of sport fisheries on the Columbia river, which will be harmed to a great extent by the projects provided for in the Columbia river treaty. It is evident from a confidential report of the wildlife branch of the province of British Columbia that this would be the case. I should like the minister to say whether the federal government is co-operating in any way—I should think it would have a certain responsibility in this area—in any effort which may be undertaken to rebuild the fisheries which will be lost for a number of years to residents and visitors.

I should like the minister to explain to the house the legal responsibility under the constitution for the protection and development of sport fisheries. Then I should like him to explain the arrangements which have been made with the provincial authorities for the drafting of regulations.

Are these regulations ever questioned by officials of the federal government, or are they accepted as sent in by the provincial government without amendment? What are the arrangements with respect to these regulations which are forwarded to the federal government and what is the procedure? I understand that approval by the federal authorities is necessary to give them the effect of law. I should like the minister to deal with this question because it is one which is of great interest to a number of people I have the honour to represent, some of whom are confused as to where final responsibility rests for what is happening in British Columbia in connection with the protection and development of sports fisheries.

I must say I congratulate the minister on what I thought was a very patient attitude in dealing with the Stellako log drive. I hope he will tell the house what arrangements exist at the present time with respect to that drive.

Mr. Fairweather: I wish to follow up what was said on another occasion by my hon. friend from Victoria-Carleton in connection with a subject which was mentioned also by my hon. friend from Saint John-Albert a minute or two ago, namely pollution of the Saint John river.

This is an important matter. The minister has told me that it is already affecting the salmon fishing and I am sure he agrees with me that the closest possible co-operation is needed, now, between his own department, the Department of Energy, Mines and Resources, and the provincial authorities.

Unlike most of the subjects with which we deal in parliament the answer, in this case, is clear. We know where the pollution is coming from. Seventy per cent of it is coming from Fraser Brothers in Edmundston. Another large portion of it comes from the capital city of New Brunswick which I am ashamed to say has done nothing tangible by way of removing the raw sewage it now dumps into the Saint John river. There have been surveys, I know, but as the hon. member for Victoria-Carleton said the other day, the subject has been studied to death.

The reason a New Brunswicker is concerned about this is that we in our province have had a tragic example of what can happen if pollution is unchecked in the loss of the salmon fishery on the St. Croix river. Only now are active steps being taken to redress this situation and I understand it will take decades, even generations, to restore that fishery.

As the minister knows, the case of pollution which concerns many of us has to do with the pollution which will arise when the Mactaquac power dam is finished, building up a 60-mile head of so-called dead water—with the Fraser Brothers pollution entering the river above this point. There is really not much point getting civic minded municipalities and other groups to clear up their pollution if major corporations do nothing about it. This is not an indictment of Frasers; I know there are provincial and federal schemes—tax write-off provisions, and so on. But at some stage there has to be a deadline. Possibly

Fraser Brothers has already announced concrete plans so that deadlines will not have to be invoked.

• (8:50 p.m.)

As I say, we know what the problem is. It has been studied backwards and forwards, or upwards and downwards, whichever way you prefer it. It seems to me the time has come for a concentrated effort to be made by the joint authorities of Ottawa and Fredericton, representing as they do the national and provincial governments, to clear up this problem. I speak with some feeling about it because my constituency contains the Saint John river, a fine river, and five of its tributaries, together with two large lake systems that flow into the Saint John river.

I have always had a great interest in seeing that the river be cleaned up, and that not only our sports fishery but the commercial fishery be protected on this great waterway.

Mr. Danforth: Mr. Chairman, I would like to support the contention made by my colleague, the hon. member for Grey North, who spoke on some of the problems facing inland fishermen. My purpose in rising is mainly to seek concrete information from the minister. He knows that so far as the fishermen of lake Erie are concerned an absolute disaster was averted by the marketing procedures universally engaged in, which allowed the fishermen to get a price of 8 cents to 12 cents a pound where formerly prices had dropped to 1½ cents to 3 cents per pound.

I would like the minister to disclose what long range plans, in conjunction with the provincial government, that he has to restore the lake Erie fishing operation. Although a layman I am well aware extensive research on the waters has been engaged in both by the provincial and federal authorities. This has covered different methods of fishing, but the fact still remains that since the invasion of the lamprey eel only two main varieties of fish are taken from lake Erie on the Canadian shore, namely smelt and perch.

The minister knows that a few yellow pickerel have worked their way down the lake, but if anything should happen to the market for perch and smelt fillets, which are very small and are more or less a luxury demand, the fishermen would be in dire economic circumstances. I would appreciate very much if the minister would outline what his department, in conjunction with the provincial department, envisage in their experimental work and their plans for this fishery.

[Mr. Fairweather.]

Mr. Davis: Mr. Chairman, I shall be brief but I do want to make a determined plea to the minister to continue the special subsidy which was instituted last year and directed toward the catching and processing of dogfish on the west coast. Dogfish is a shark-like fish that grows to as much as five feet in length. It is a predator and lives off many of the smaller fish species on the coast. It has been free to proliferate in recent years, because there has been no commercial market for it.

During the war years it was caught in considerable numbers and processed for its vitamin A content. Prices as high as $3 per pound were available at that time. But as a result of developments in the chemical industry during and following the war, vitamin A began to be made synthetically. The demand for dogfish livers fell off and there has been no commercial incentive to catch dogfish ever since.

Dogfish is the fish which is caught in the North Sea and which provides most of the flesh for fish and chips in the United Kingdom. Although it has no commercial value on our coasts, it does have a commercial value in the North Sea. It is caught in substantial numbers by the Norwegians, in fact in such numbers that dogfish, or greyfish as it is known in the North Sea area, has to be protected. During the war years we landed as much as 40,000 tons per annum. Recently catches have been negligible, but for the last two years experiments have been conducted on the west coast with a view to reducing the cost not only of catching these fish but of processing and transporting them to markets overseas.

I would like very much to see these experiments continue. I understand that last fall some $25,000 was set aside by the Department of Fisheries and a limited experiment conducted, the results of which are not available at this time. There is a substantial market for these fish, particularly in the United Kingdom, Germany and Belgium. Conceivably markets could be developed in time for dogfish flesh in North America. A modest subsidy would be required in the initial stages but, as I mentioned, it is becoming a relatively scarce commodity in Europe.

The economics of processing and transportation have yet to be fully explored and I would urge the department to continue its experiment this year. If it is successful we should be able to bring our dogfish population under control and substantially increase the salmon, herring, pilchards and other species which are being decimated by the greyfish, or

development of sports fishing in British Columbia. I think this was clearly demonstrated by the difficulties experienced by the minister in connection with the Stellako log drive in connection with the activities of the provincial government, when some sharp protests were made by those who are interested in the protection and development of sports fisheries in our province.

Then there are a large number of lakes in British Columbia which are becoming infested with coarse fish, which are driving out fish such as Kamloops trout and Dolly Varden. I am also informed there is a large export by the provincial government of kokanee eggs to the United States, though many people feel these should be used in Britsh Columbia. I am not aware of the terms under which these eggs are exported. I trust the minister will explain some of these things to me when he replies later.

I should also like to know whether there is any co-operation between the federal department and the provincial department of fisheries with respect to the development of sport fisheries on the Columbia river, which will be harmed to a great extent by the projects provided for in the Columbia river treaty. It is evident from a confidential report of the wildlife branch of the province of British Columbia that this would be the case. I should like the minister to say whether the federal government is co-operating in any way—I should think it would have a certain responsibility in this area—in any effort which may be undertaken to rebuild the fisheries which will be lost for a number of years to residents and visitors.

I should like the minister to explain to the house the legal responsibility under the constitution for the protection and development of sport fisheries. Then I should like him to explain the arrangements which have been made with the provincial authorities for the drafting of regulations.

Are these regulations ever questioned by officials of the federal government, or are they accepted as sent in by the provincial government without amendment? What are the arrangements with respect to these regulations which are forwarded to the federal government and what is the procedure? I understand that approval by the federal authorities is necessary to give them the effect of law. I should like the minister to deal with this question because it is one which is of great interest to a number of people I have the honour to represent, some of whom are confused as to where final responsibility rests for what is happening in British Columbia in connection with the protection and development of sports fisheries.

I must say I congratulate the minister on what I thought was a very patient attitude in dealing with the Stellako log drive. I hope he will tell the house what arrangements exist at the present time with respect to that drive.

Mr. Fairweather: I wish to follow up what was said on another occasion by my hon. friend from Victoria-Carleton in connection with a subject which was mentioned also by my hon. friend from Saint John-Albert a minute or two ago, namely pollution of the Saint John river.

This is an important matter. The minister has told me that it is already affecting the salmon fishing and I am sure he agrees with me that the closest possible co-operation is needed, now, between his own department, the Department of Energy, Mines and Resources, and the provincial authorities.

Unlike most of the subjects with which we deal in parliament the answer, in this case, is clear. We know where the pollution is coming from. Seventy per cent of it is coming from Fraser Brothers in Edmundston. Another large portion of it comes from the capital city of New Brunswick which I am ashamed to say has done nothing tangible by way of removing the raw sewage it now dumps into the Saint John river. There have been surveys, I know, but as the hon. member for Victoria-Carleton said the other day, the subject has been studied to death.

The reason a New Brunswicker is concerned about this is that we in our province have had a tragic example of what can happen if pollution is unchecked in the loss of the salmon fishery on the St. Croix river. Only now are active steps being taken to redress this situation and I understand it will take decades, even generations, to restore that fishery.

As the minister knows, the case of pollution which concerns many of us has to do with the pollution which will arise when the Mactaquac power dam is finished, building up a 60-mile head of so-called dead water—with the Fraser Brothers pollution entering the river above this point. There is really not much point getting civic minded municipalities and other groups to clear up their pollution if major corporations do nothing about it. This is not an indictment of Frasers; I know there are provincial and federal schemes—tax write-off provisions, and so on. But at some stage there has to be a deadline. Possibly

Fraser Brothers has already announced concrete plans so that deadlines will not have to be invoked.

• (8:50 p.m.)

As I say, we know what the problem is. It has been studied backwards and forwards, or upwards and downwards, whichever way you prefer it. It seems to me the time has come for a concentrated effort to be made by the joint authorities of Ottawa and Fredericton, representing as they do the national and provincial governments, to clear up this problem. I speak with some feeling about it because my constituency contains the Saint John river, a fine river, and five of its tributaries, together with two large lake systems that flow into the Saint John river.

I have always had a great interest in seeing that the river be cleaned up, and that not only our sports fishery but the commercial fishery be protected on this great waterway.

Mr. Danforth: Mr. Chairman, I would like to support the contention made by my colleague, the hon. member for Grey North, who spoke on some of the problems facing inland fishermen. My purpose in rising is mainly to seek concrete information from the minister. He knows that so far as the fishermen of lake Erie are concerned an absolute disaster was averted by the marketing procedures universally engaged in, which allowed the fishermen to get a price of 8 cents to 12 cents a pound where formerly prices had dropped to 1½ cents to 3 cents per pound.

I would like the minister to disclose what long range plans, in conjunction with the provincial government, that he has to restore the lake Erie fishing operation. Although a layman I am well aware extensive research on the waters has been engaged in both by the provincial and federal authorities. This has covered different methods of fishing, but the fact still remains that since the invasion of the lamprey eel only two main varieties of fish are taken from lake Erie on the Canadian shore, namely smelt and perch.

The minister knows that a few yellow pickerel have worked their way down the lake, but if anything should happen to the market for perch and smelt fillets, which are very small and are more or less a luxury demand, the fishermen would be in dire economic circumstances. I would appreciate very much if the minister would outline what his department, in conjunction with the provincial department, envisage in their experimental work and their plans for this fishery.

[Mr. Fairweather.]

Mr. Davis: Mr. Chairman, I shall be brief but I do want to make a determined plea to the minister to continue the special subsidy which was instituted last year and directed toward the catching and processing of dogfish on the west coast. Dogfish is a shark-like fish that grows to as much as five feet in length. It is a predator and lives off many of the smaller fish species on the coast. It has been free to proliferate in recent years, because there has been no commercial market for it.

During the war years it was caught in considerable numbers and processed for its vitamin A content. Prices as high as $3 per pound were available at that time. But as a result of developments in the chemical industry during and following the war, vitamin A began to be made synthetically. The demand for dogfish livers fell off and there has been no commercial incentive to catch dogfish ever since.

Dogfish is the fish which is caught in the North Sea and which provides most of the flesh for fish and chips in the United Kingdom. Although it has no commercial value on our coasts, it does have a commercial value in the North Sea. It is caught in substantial numbers by the Norwegians, in fact in such numbers that dogfish, or greyfish as it is known in the North Sea area, has to be protected. During the war years we landed as much as 40,000 tons per annum. Recently catches have been negligible, but for the last two years experiments have been conducted on the west coast with a view to reducing the cost not only of catching these fish but of processing and transporting them to markets overseas.

I would like very much to see these experiments continue. I understand that last fall some $25,000 was set aside by the Department of Fisheries and a limited experiment conducted, the results of which are not available at this time. There is a substantial market for these fish, particularly in the United Kingdom, Germany and Belgium. Conceivably markets could be developed in time for dogfish flesh in North America. A modest subsidy would be required in the initial stages but, as I mentioned, it is becoming a relatively scarce commodity in Europe.

The economics of processing and transportation have yet to be fully explored and I would urge the department to continue its experiment this year. If it is successful we should be able to bring our dogfish population under control and substantially increase the salmon, herring, pilchards and other species which are being decimated by the greyfish, or

dogfish, this shark-like fish. One way to improve the stock of fish of higher commercial value would be to push this program to its logical conclusion.

Mr. Robichaud: I wish to thank hon. members for their remarks and to assure them that the suggestions they made will receive full consideration by my department and myself. I was pleased to hear the hon. member for Queens say that the increased expenditures which the estimates forecast for the Department of Fisheries were justified.

The hon. member for Queens also mentioned that Canadian fisheries within the last ten years had slipped from sixth to tenth place in world production. As the hon. member mentioned, there is a good reason for this. We in Canada have to compete on the world market. Other countries which may have greater fishery production need the fish they catch for their own consumption. To them their production is a necessity. From my recent visit to the U.S.S.R. I know that the fishing industry in Canada could not exist if we had to produce fish at the price which it costs some other countries. For example, herring costs the U.S.S.R. from 30 cents to 40 cents per pound to produce. I just wonder what we could do in Canada if we had to increase our production at that cost.

I want to assure the hon. member that it is the objective of the Department of Fisheries to encourage the processing of herring for human consumption. As the hon. member mentioned, a number of new plants have been erected, particularly on the Atlantic coast, for the processing of herring. A few weeks ago at the annual meeting of the Fisheries Council in Montreal I asked the fishing industry to take a serious look at processing more herring for human consumption so that increased productivity will result in a better price to our fishermen.

• (9:00 p.m.)

A number of hon. members, including the hon. members for Queens, Vancouver Quadra, Kings, Shelburne-Yarmouth-Clare, and Notre-Dame-de-Grâce, have referred to the seal hunt on the Atlantic coast and particularly in the gulf of St. Lawrence. I wish to thank hon. members for the position they have taken in respect of this problem, which has created such interest and commotion in this country and abroad in the last two or three years. I should like to repeat what I said previously in this house. I am prepared to take every measure possible to prevent any cruelty in the methods used for the killing of seals. Recently I have issued a number of reports on the sealing operation. I have explained how it is a part of the fishery operation of the east coast. Some of the suggestions which are made in connection with this operation are made by people who, although I am sure thoughtful and well intentioned, definitely are not familiar with the problems this industry has to face on the Atlantic coast.

I am sure hon. members will be pleased to learn that on my return from a visit to the U.S.S.R. I spent a few days in Norway where I had an opportunity to discuss this problem with representatives of the Norwegian government. Most hon. members are aware that Norway now is the only foreign country engaged in sealing operations on the west Atlantic coast. We have succeeded in having the sealing regulations on the front—outside Newfoundland and in the area off the east coast of Newfoundland—accepted under the protocol of ICNAF, but unfortunately Norway and Canada, being the only two countries which are interested, it is rather difficult to consider under ICNAF the type of regulations which will control not only conservation and protection but also the method of killing. During my discussions in Norway I was given assurance that the Norwegians would be prepared to enter into a special agreement with Canada in order to introduce on the front special regulations for controlling not only conservation and protection, but also to some extent the methods of killing.

For that purpose, since ICNAF is meeting this year in Boston, on Thursday of this week I plan to go to Boston myself. I will meet with representatives of the Norwegian government and of the fishing industry. We will discuss the type of measures which could be applied on the front and which could be effectively enforced. I have every reason to believe we will receive the full co-operation of the Norwegian government in introducing measures on the front quite comparable as we now have to control the situation on the gulf of St. Lawrence.

The hon. member for Queens also mentioned the use of aircraft in the seal hunt. I agree that there should be better control over the operation of these aircraft. I am looking forward to amending further the sealing regulations because I believe there still is room for improvement. It is my intention to look into the possibility of having better control over the aircraft operations because, with regret, I must say that during the last season, if there were a few cases of abuse—and they were very few—these were mainly by the operators

of the aircraft rather than by those who operated from sealers or sealing vessels.

I agree with the hon. member for Skeena that all fishery problems will not be solved due to the fact that we discussed the estimates of the department before the standing committee last year; but surely he will agree with me that this was a wonderful opportunity to bring forward the problems affecting the fishing industry and for us to explain the action taken by the department. I should like to repeat what I said last year. I appreciate the attitude taken by the members of that committee.

The hon. member referred to the B.C.-Alaska salmon fishing problem. As we announced during meetings of the committee last year, the department carried on exploratory fishing and tagging programs in northern British Columbia waters to discover whether the salmon would be available for commercial fishing in the rivers of British Columbia and Alaska. This report is available. We have already discussed it with representatives of the industry and different fisheries associations on the west coast. I can assure the hon. member it is my intention, as he has requested, to table this report.

There is evidence, in the migration of the pink salmon, that the migration in that particular region differs considerably between the odd numbered and even numbered years. The south to north movements usually are stronger in the even numbered years. For this reason we will carry on a new experiment this year in order to gather the complete information. An experiment similar to that undertaken last year will be undertaken again this year and then, following a discussion with the industry and the fisheries associations, we will meet with our friends from the south, the United States representatives, with a view to reaching a decision in respect of what action should be taken.

The hon. member also referred to a matter which has been of great concern to those interested in the fishing industry on the west coast. I should like to assure the hon. member that although I am from the east coast I am not easterly oriented. I am oriented in the fisheries from coast to coast. I can also say that the same applies to my predecessor, the hon. gentleman who held this post before me.

As the hon. member is aware, I have stated that this dispute does not come under the jurisdiction of the federal authorities. In a telegram which he quoted from the minister of labour for British Columbia it was stated that the minister said that fishing does not come under the jurisdiction of the provincial department of labour. It is true that fishing does not come under the jurisdiction of that department; it is a federal responsibility. But in respect of this dispute it is not the fishing that is concerned. What is involved is the unloading and handling of the fish after it is caught. After seeking advice from the Department of Justice I am told that the subject matter of the dispute relates to property and civil rights which definitely are matters which come under provincial jurisdiction. Notwithstanding this, I have offered my services, in co-operation with the officials of my department, to the officials of the British Columbia government in an effort to find ways and means to bring about an end to this dispute.

Again I should like to assure the hon. member that within federal jurisdiction I am prepared to do anything I can within my responsibility to bring an end to this dispute, which is causing such concern to the British Columbia west coast fishing industry.

The hon. member for Vancouver Quadra has referred to the subsidy paid to fishing vessel owners. He mentioned 170 vessels in 1966 and close to 300 this year subject fo federal subsidy. I am at a loss to understand what is meant by these subsidies. There certainly are no subsidies being paid by the Department of Fisheries. We have made very clear that such subsidies were not applicable to vessels used for salmon fishing. Furthermore no subsidies have been paid under the regulations of the Department of Fisheries to fishing vessels on the west coast. I am sure that if the hon. member would look at the figures of subsidies which have been produced by the maritime commission he would find that their figures are much lower than those quoted in the letter, part of which he read this afternoon.

• (9:10 p.m.)

I know there is a problem as referred to by several hon. members, including the hon. member for Esquimalt-Saanich and the hon. member for Vancouver Quadra, regarding a dispute between commercial and sport fishermen, particularly in the Juan de Fuca strait. While no final decision has been reached, I have made it quite clear that it is our intention to close a small and limited area of the strait to commercial fishing, leaving it open only for sport fishing. I want to make it clear that this is not a matter of creating a precedent, but we are well aware of the growing

importance of the sport fishery in that area of British Columbia. Certainly we are not underestimating its importance.

The hon. member for Vancouver Quadra referred to Greenland halibut. This is a matter which falls under the jurisdiction of the Department of Trade and Commerce and I have already referred it to my colleague, the minister responsible for that department. His officials have taken this matter up with representatives of the appropriate department in Washington.

The hon. member for Kings said he appreciated the co-operation he has received from the department, and he referred particularly to protection of the gear of inshore fishermen which on many occasions is destroyed by draggers operating too close to shore. I am pleased to inform him that within the next few weeks, after full discussions with the provincial governments concerned, it is my intention to introduce certain regulations prohibiting the operation of draggers in limited areas where inshore fishing is prominent. We have every reason to believe that this will afford the type of protection desired.

Unfortunately the hon. member for Kings and I do not agree on the payment of subsidies on fishing vessels of the 35 foot to 45 foot class. Let me assure the hon. member that when this policy was announced there was a press release which was issued after full discussion and agreement with the provincial loan boards in the Atlantic provinces.

That release stated:

> During the first few years of operations under the new regulations assistance to vessels under 45 feet in length will be limited to approved experimental designs. The fishermen's loan boards in the provinces of New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland, and the minister of industry and commerce in the province of Quebec, will continue the direct administration of the new regulations. Close control over the design and specifications of craft eligible for assistance will be maintained by federal-provincial co-operation. This will include consideration of the numbers to be built each year, and their location, and the co-ordination of their construction with training projects designed to provide skilled manpower for a modern Atlantic fleet.

I wish to add that regulations were passed by order in council P.C. 1964/8995 covering such agreements reached with the fishermen's loan boards of the provinces.

The hon. member for Halifax referred to assistance to lobster fishermen. I agree there was a heavy loss suffered by lobster fishermen on the Atlantic coast this spring, due to stormy weather and the late opening of the lobster season as a result of the heavy ice movements. Our policy is not different to that which has been followed for a number of years. On different occasions in the house I have stated that we are prepared to consider assisting any area if the provincial government concerned will make representations to us and declare such losses in those areas as being of disaster proportion. Under those circumstances we would be prepared to consider providing assistance.

In this instance I want to repeat what I said last year, emphasizing that it is unfortunate that lobster fishermen are not taking advantage of the fishermen's indemnity fund. We have a program of insuring their lobster traps and their boats, and in this way protecting them in case of losses such as those which occurred this year. However, it is most unfair for lobster fishermen of a certain area, who do take advantage of this insurance policy, in order to be compensated for losses when other fishermen are not contributing to this insurance policy and are provided with assistance.

Perhaps I should say that the province of Nova Scotia this morning requested the information we have in respect of assessing the amount of loss in the area referred to by the hon. member. I immediately issued instructions to supply the province with this information, and if it is considered by the province that the losses are of disaster proportion I will be prepared to recommend to my colleagues that special attention be given to these claims.

Let me also make it clear that I am asking for the co-operation of the provinces in persuading the fishermen to take advantage of this insurance program. It is there for their protection and the cost is extremely low. When such losses occur the fishermen are compensated for the greater part of their losses.

The hon. member for Shelburne-Yarmouth-Clare referred to protection of salmon in the Davis strait area. This matter came up about two years ago, and last year we carried out a tagging experiment in that area in the vicinity of the coast of Greenland to determine what proportion of salmon originating from Canadian rivers are to be found there. We expect to repeat this experiment this year to obtain further information before any further action is taken.

The hon. member for Notre Dame-de-Grâce referred to sealing operations and I have already given my answer in this regard. I certainly will take into consideration his suggestion, also made before in the house, that this matter be referred to the standing committee

on fisheries so we can obtain all the facts and available information. The suggestion that we find other employment for these fishermen does not stand examination. It would be impossible for any government to decide in advance where these ice fields carrying seals will be found, whether they will be off the coast of Labrador, in the area of the Magdalen Islands or off the west coast of Newfoundland. It would be impossible to determine which of the 30,000 fishermen who depend on the gulf of St. Lawrence fishery resources for their livelihood might be affected by any measure of assistance that could be provided by the government in order to compensate them for the loss resulting from an abandonment of this operation. Furthermore, we have a responsibility to protect the sealing fishery in the gulf of St. Lawrence, as well as other fishery resources. Our scientists claim that an adult seal can consume from 12 to 15 pounds of fish daily, except during whelping and breeding seasons. Considering that 1,250,000 seals were sighted last year on ice floes in the gulf of St. Lawrence, one can imagine the quantity of fish consumed by those seals and how fast they could deplete the fishery resources in the area.

[*Translation*]

The hon. member for Portneuf (Mr. Godin) mentioned the disastrous and tragic situation of the commercial fishermen below Montreal.

I do admit that we have had some reports on the quantity of dead fish found in that section of the St. Lawrence; but that is an exception because, as the hon. member knows, Quebec fisheries fall strictly within provincial jurisdiction. Therefore, when reports reached us, including, for instance, that of the hon. member for Trois-Rivières (Mr. Mongrain), we immediately brought them to the attention of the Quebec government.

• (9:20 p.m.)

[*English*]

The hon. member for Grey North referred to the Great Lakes Fishery Commission. I am pleased to advise the hon. member that in this year's estimates there is $1,870,000 provided for lamprey control in the great lakes. Of that amount the federal government will contribute a total of $627,000. As the hon. member knows, the number of lampreys in lake Superior has been reduced, since this control operation was commenced, by about 80 per cent. We are now moving into lake Huron. It is too early yet to determine what the results will be, but with the experience we have acquired in lake Superior we are convinced in advance that our experiment in lake Huron and other areas of the great lakes will also provide good results. It is too early for me to say what steps will be taken to introduce fish in lake Huron. The hon. member also asked for information regarding sockeye salmon in the great lakes. Rather than giving half an answer right now, I will write the hon. member giving the complete details on our plans in this regard.

The hon. member for Saint John-Albert referred to the pollution of the Saint John river. This was also mentioned by the hon. member for Royal. As hon. members know, there are at the present time two or three main sources of pollution on the Saint John river. We are concerned about those sources of pollution. There is the food plant at Florenceville, in respect of which the Atlantic Development Board has provided a substantial sum of money to correct the existing conditions. Another main source of pollution is the pulp mill at Edmundston. We are now in consultation with the province and the Fraser Company, which is the company concerned, in order to arrive at ways and means of introduc new machinery which will correct the pollution problem in the Saint John river at that particular location. This will require a heavy capital investment, but I hope that with the co-operation of the provincial government it will be possible to initiate this program in the very near future.

The hon. member for Saint John-Albert also referred to our new licensing policy in respect of salmon. There is no new salmon licensing policy in respect of Saint John harbour and the bay of Fundy area. In the harbour proper this matter comes under the harbours board; they decide on the issuing of licences. In the bay outside the harbour it is the responsibility of the federal Department of Fisheries. Licences have always been controlled. There is very little difference in the issuing of licences. However, in the last two or three years salmon fishing has been improving and a larger number of fishermen are applying for licences. I do not have before me the number of new applications we have received this year, but under this policy we try to transfer the licences from those not directly engaged, those who are not bona fide fishermen and do not operate their nets and fishing boats, to new applicants who are qualified. It is the same policy that we apply on the Miramichi. I will be able to supply the hon. member with more detailed information later, but there is no reduction this year in the number of licences

issued and it is not our intention, unless we have to do it of necessity, to reduce the number of licences held in that particular area.

The hon. member for Kootenay West asked me a difficult question regarding legal responsibility for the protection and development of the sport fishery. In the province of British Columbia the sport fishery regulations are administered by the province. These regulations are suggested to us and orders in council are passed establishing them. Anadromous fish such as commercial salmon, for example, are definitely a federal responsibility. As I have said, proposed sport fishery regulations are forwarded to the federal government and an order in council is passed making them legal; but the control of fisheries in lakes, for example, is entirely a provincial responsibility.

The hon. member for Kent (Ont.) referred to the problems of the inland fishermen. I think the answer I have given to the hon. member for Grey North deals in part with the questions raised by the hon. member for Kent (Ont.) I agree that the intervention of the price support board last fall saved the industry in lake Erie particularly. In recent weeks we had a meeting with representatives of the industry. We still have on hand supplies of fish purchased last fall. It is our intention to dispose of this stock as soon as possible. It is more than likely that we will be called upon again this year to introduce the price support program in order to assist the industry. Last year's program had a very good effect in improving the quality of the product and controlling the market.

I will also keep in mind the suggestion made by the hon. member for Coast-Capilano to continue the special subsidy in respect of catching and processing dogfish. Due to assistance provided last year by the federal Department of Fisheries experiments were made in the preparing and marketing of dogfish for human consumption. The experiments have been fairly successful and we hope to be able to continue them this year in order to achieve practical results.

Mr. Chairman, this answers most of the questions raised. If I have forgotten any I would ask hon. members to remind me and I will be prepared to give in writing full details to the questions they have asked.

Mr. Howard: Mr. Chairman, I wonder whether I might follow up what the minister said about the research fishing, or spot fishing for salmon in the Dixon entrance and the fact that this will be continued this year. In between the time I made my remarks before supper and now I have been reading the Prince Rupert *Daily News* of May 30 last. If I had known about this editorial at the time, I would have mentioned it in my original remarks. Perhaps I could read the article—it is very short—and ask the minister to what it pertains. It is headed "Research on salmon" and says:

> A joint United States-Canadian committee on fisheries will recommend a general research program on the intermingling of U.S. and Canadian salmon, it was announced in Juneau recently.
>
> The committee chairman, Commissioner Walker Kirkness of the Alaska Fish and Game Department, said the program would try to determine where, when and why salmon stocks from the two countries intermingle.
>
> All waters from the northern end of Vancouver Island to Jakutat, Alaska, would be studied, he said.
>
> The committee's recommendations are expected to be submitted to the U.S. and Canadian governments in early June.
>
> If approved, the research program would probably continue for four to 10 years.

Is this a correct declaration, or is it another research program? If so, I wonder whether the minister could explain what this particular one is designed to accomplish.

Mr. Robichaud: Mr. Chairman, the program referred to by the hon. member is on a much larger scale than the one undertaken last year. As I have said, the one undertaken last year takes care of two different runs of salmon. This is why we had to carry it on this year in order to determine what position we should take. I will certainly make this report available so that the hon. member will have complete information in this respect. The other program he referred to has not as yet been brought to my attention, although I understand it is on a much larger scale and will affect the movement of salmon on the whole of the west coast.

Mr. Howard: The four to ten years mentioned in the article struck me as being rather long if we were to arrive at any worth-while conclusions on the other aspect of the program.

• (9:30 p.m.)

Mr. Chairman, I should like to make reference to the committee proceedings of last year in order to set the background for a particular question which I would like to put to the minister. I will quote from page 315 of the committee proceedings of Monday, June 6, 1966, almost exactly a year ago. At that time I had raised the matter, and I will quote my

own words as an introduction to my question. I asked the following question:

> Speaking of our native Indian people, there is another matter I would like to ask about, if I could and that is the fishing vessels assistance regulations which the Department of Fisheries operate, and which apply solely to the four Atlantic provinces and the province of Quebec but which do not apply to the province of British Columbia. What is happening? Are any steps being taken to extend the operation of those regulations to British Columbia?

Mr. Levelton, the director of the conservation and protection branch, then said:

> Yes, especially in view of the communication between yourself and Mr. Tremblay when he was minister of citizenship and immigration, relating to the desire of native Indian people in B.C. to come under these regulations.
>
> Mr. Howard: I would like to know what is happening.
>
> Mr. Robichaud: Yes, Mr. Chairman, it is not that this regulation is only applicable to the Atlantic provinces and Quebec, but we have now had meetings with the governments of Ontario, the prairie provinces and British Columbia and this regulation is applicable to those provinces who have a fisherman loan board, with whom we can deal.
>
> There is a special case to be made in the case of the native Indians, and the Department of Northern Affairs and National Resources has been recently studying the possibility of introducing a special assistance program based on the same principle that we have on the Atlantic coast, which would be made applicable to the native Indian. We in the Department of Fisheries have offered all the assistance possible in order to determine the regulations applicable to such a program. I sincerely hope we will have something to put into effect before too long, in this regard.

Now I should like to ask the minister the almost identical question, namely what is happening?

Mr. Robichaud: I am happy to reply to the question put to me by the hon. member for Skeena. What I said last year was correct. It is our intention to extend these fishery assistance programs to the west coast. We have already had a number of meetings with representatives of the provincial government of British Columbia and of the prairie provinces. We have already extended to Ontario the insurance scheme for the protection of fishing vessels.

With reference to the special assistance program for the Indians, we have had a number of meetings with the representatives of the department of Indian affairs. In fact a certain sum is now suggested for this assistance program, but we find it is much too small. We wish to reconsider the amount now made available, and I hope we will be able to come to a final decision within a very short time. It is our intention to establish on an experimental basis a special assistance program for the Indian fishermen on the west coast.

Mr. Howard: The minister said that a certain sum was available. Could he tell us the amount and through which department it would be provided?

Mr. Robichaud: Through the department of Indian affairs. All the details required for the application of this program have been supplied by the Department of Fisheries, but the fund will be administered by the department of Indian affairs. As I said, we feel that a substantial amount should be made available so that the program would be practicable.

Mr. Howard: Did the minister say that it is available now?

Mr. Robichaud: No, Mr. Chairman, it is not available now but I understand there will be further discussions within a week or two to finalize the decision.

Mr. Howard: I understood the minister to say that a certain amount of money is available now but that it is not sufficient. However he has cleared up this point for me.

Mr. Robichaud: What I said was that we found the amount suggested to be too small to make the program practicable.

Mr. Howard: Mr. Chairman, as no one wishes to have the floor I should like to raise another matter at this time. It relates to the regulations of the department regarding fresh water supplies for canneries. I have written to the minister about this, as these regulations might have an adverse effect on a couple of canneries just outside of Prince Rupert. I am not trying to get him to alter the regulations and I do not think the people affected would like them altered. What I wish to do is to draw his attention to an awkward situation which may develop as a result of the implementation of the regulations requiring fresh water.

As I understand it, some financial assistance has been made available to canneries and to communities on the Atlantic coast to enable them to provide the water supply to the canneries necessary to meet the regulations promulgated by the department. I believe this financial assistance has come from the Atlantic Development Board and not directly from the Department of Fisheries, even though the federal government contributes toward the operation of the Atlantic Development Board. Indirectly the federal taxpayer's

that province does not seem to want to be involved too directly with the fishing industry.

I know of no cost sharing program with the province of British Columbia, though we do have a cost sharing program with the University of British Columbia and on a limited scale with the industry. One which was mentioned a little while ago is the dogfish experiment, and we have programs of that kind. We are also negotiating with the representatives of the fishing industry on the west coast large scale experiments with groundfish. These will be cost sharing programs between the government and the industry direct. The hon. member will remember when we passed the fisheries development act that I was asked by many hon. members to include the operations of private companies. Due to the amendment I accepted this would now be made possible.

• (9:50 p.m.)

Mr. Howard: So that all is not sweetness and light in the government of British Columbia. Perhaps I understood the minister incorrectly in his opening remarks but I thought the gist of his words related to the relationship between the government of Canada and the provincial governments, and that their activities were co-ordinated in a remarkable manner. I presume that the minister exempts British Columbia from his opening remarks.

Mr. Robichaud: Not altogether, because we have a federal-provincial committee. There have been meetings between my deputy minister and senior officials of the government of the province of British Columbia. I assure the hon. member that we are seeking much better co-operation than existed in the past. On my visit to Victoria last year when I met with two provincial ministers we discussed not only the Stellako problem but the whole problem of log driving in British Columbia rivers. That is an example of the type of co-operation which we are seeking, and were I able to table the correspondence it would prove to the hon. member that we are offering all kinds of co-operation.

Mr. Howard: When I referred to remarkable co-ordination and that British Columbia was exempted, I was referring to my own province and not to the minister or the government of Canada.

Mr. MacLean (Queens): I just wanted to make certain that the minister was clear about my remarks to do with the use of aircraft in sealing in the gulf of St. Lawrence. I was thinking not only about the sealing regulations but also about the flying control governing the aircraft. I thought my remarks had been understood, but perhaps I should take the matter up with the Department of Transport.

I have a brief question on item 5. If my memory serves me correctly, when some members asked in the committee last year why the department's telephone costs had risen when another department of the government had said that it would introduce a new system of government telephone tolls which would effect great savings, the answer that was given was that the estimates for last year had been printed or devised before those savings became apparent and that is why the telephone costs were higher than in the previous year. I see in these estimates that these costs have again risen to an abnormally high figure. I am wondering how the government is saving all this money when its telephones are costing so much more.

Mr. Robichaud: I can answer this question briefly, with a word of explanation to the hon. member. It is true that under the new system normally our telephone expenses should have gone down; but with the establishment of new services, particularly in the development field, we have officers in the field with whom we have to keep in almost daily contact. Hon. members will appreciate when they ask me questions that often I do not take time to write, and then to wait for an answer. I ask my deputy minister particularly, or my senior officials to contact our area directors by telephone. The same applies for instance to the present problem that exists on the west coast. I have tried as much as possible to be kept advised almost daily. This may be done only by telephoning involving, naturally, extra expenditure. That is the main reason for the increased expenditures on this particular item. Probably we are using the telephone more than we used to in previous years, and I do not object to this practice.

Mr. Howard: When the minister attended the fisheries council meeting in Montreal a short time ago one of his comments had to do with his recent trip to the Soviet union. As I interpret his remarks he had his eyes opened and understood better some matters which existed, especially in the field of international co-operation, research and the like. Under vote 5 I see there are listed various international commissions, one of which is the North Pacific Fisheries Commission, or the treaty between Canada, Japan and the United States. For some time we have advocated that there be attempts to bring the Soviet union into that treaty, if it desires to enter. Because the

Soviet union is interested in halibut and undoubtedly, in salmon fisheries on our side of the ocean, could the minister indicate whether he discussed this matter with any of the Soviet officials? Did he gain any impression from talking to them that there was a possibility of their entering the treaty, if they were invited? What are the prospects of putting into effect that which the minister so earnestly embraced in 1962 or 1963?

Mr. Robichaud: I am glad the hon. member has mentioned vote 5. On page 171 of the blue book he will see that $10,000 was voted last year for the International Council for the Exploration of the Sea, and that this year the figure had been raised to $20,000 for the full year, the figure for last year being for half a year only.

Yes, I did discuss the North Pacific treaty with the minister of fisheries of the U.S.S.R. He expressed the views of his government. It is not a matter for the government of Canada to invite the U.S.S.R. to participate in the North Pacific treaty. It is a tripartite treaty comprising Japan, the United States and Canada and it would be up to those three countries to invite the U.S.S.R. to participate if it were considered advisable.

I certainly acquired much information from my discussion with officials of the government of the U.S.S.R. and from their minister of fisheries relating to their policy and their position in this regard. I must say that we did not come to any conclusive decision. I expect to bring this matter up again during Mr. Ishkov's visit to Canada, sometime in the next few weeks. Nevertheless I gather that under the present form or application of the North Pacific treaty the U.S.S.R. will not be interested in participating.

Item agreed to.

The Chairman: Shall vote 10 carry?

10. Construction or acquisition of buildings, works, land and equipment, including acquisition of land for the international pacific salmon fisheries commission, as required by article VIII of the convention, $5,339,000.

Item agreed to.

15. Grants, contributions and subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the details of estimates, $4,130,000.

Mr. Howard: I have a brief question on vote 15. On page 176 an amount of $750,000 is listed for financial assistance in the construction and equipment of facilities for the storage of frozen fishery products. Included in that amount is money for the Prince Rupert Fishermen's Co-operative Association?

Mr. Robichaud: As soon as the regulations were approved we notified the Prince Rupert co-operative and they are free to apply now. I am not sure if their application has been forwarded; it has not been laid on my desk yet. If they do apply I assure the hon. member that they will receive full consideration.

Item agreed to.

(The following items were agreed to:)

Fisheries research board of Canada—

20. Administration, operation and maintenance, including an amount of $410,000 for grants for fisheries research and for scholarships and authority to provide free accommodation for the international north pacific fisheries commission, $10,929,000.

25. Construction or acquisition of buildings, works, land and equipment, $3,900,000.

The Chairman: This completes the main estimates of the Department of Fisheries.

Mr. Robichaud: Mr. Chairman, may I thank hon. members for their co-operation in passing these estimates of the Department of Fisheries.

Resolutions adopted in committee of supply this day reported and concurred in.

• (10:00 p.m.)

BUSINESS OF THE HOUSE

Mr. MacLean (Queens): Perhaps the acting house leader could assure us that the business for tomorrow will be the same as was announced last Thursday? I presume that if the budget debate is adjourned before the day ends, the estimates of the Department of the Solicitor General will be opened up.

Mr. Winters: Correct.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under provisional standing order 39A deemed to have been moved.

INDUSTRY—NICKEL—POSSIBLE RESTRICTION ON AMOUNT AVAILABLE IN CANADA

Mr. Max Saltsman (Waterloo South): Today might be a most appropriate day on which to raise the question of nickel, since the Minister of Finance (Mr. Sharp) has indicated there is to be a change in the content in the coinage of the realm. It is appropriate because there is some question of whether there is enough nickel to fulfil this particular requirement.

money is used to assist communities and canneries to modernize their operations and provide the necessary facilities, so that a fresh water supply could be made available to the canneries in order to enable them to meet the requirements specified in the regulations. I have no argument against that because in many instances regulations of this sort, which are made after a cannery has been established and in operation for some time, impose a rather heavy financial burden on any section of the industry, any particular cannery or any community which may be supplying water to the cannery.

However, the bone of contention here is that there is nothing similar in the way of assistance available to the west coast. On the west coast there is no development board which would make this assistance available to communities desirous of providing a fresh water supply to canneries. So in this regard there exists an inequity between the Atlantic and Pacific coasts.

In the letter which I wrote to the minister I mentioned the distinct possibility that two of the canneries may find it economically impossible to invest the money to put in an extensive water supply system which in one instance involves pumping up hill and the installation of a lengthy pipe line into the cannery area. Because of their inability or lack of desire, perhaps the two go together in some respects, they are seriously contemplating closing two canneries just outside of Prince Rupert, simply because of the requirement contained in the regulations. Even though one of the companies has done some extensive well drilling to see if it could find a source of fresh water close at hand, it has been unable to do so. If the canneries close we will find perhaps that 1,000 native Indian people, for whom work at the cannery is the only source of income during the summer or during the salmon fishing season, will be deprived of work and unable to find work at the other canneries which operate in and around Prince Rupert, and which already have their full complement of workers.

The closing of these canneries will be a serious blow to these areas. One of the canneries on the Pacific coast was in a great deal of difficulty not long ago because, owing to its geographic location, its costs had been higher than that of most other canneries and because it wished to comply with the provisions of the regulations.

I am not pleading for a relaxation of the provisions relating to fresh water and I do not think anybody in the canning industry is opposed to these regulations, but I am pleading for special consideration, especially in areas where it is not economically feasible for the canners themselves to invest their money in a fresh water supply, or where this would be an unnecessarily heavy financial burden on a community. I plead with the minister to look at this matter seriously. If it is necessary for the Department of Fisheries to provide financial assistance or to lend money to the communities or to the canners, to be repaid over a long period of time, this will not be a new venture because, as we all know, the Department of Fisheries makes grants and subsidies available in other fields.

I see the minister is ready to reply now. I have another question but I will raise it later.

• (9:40 p.m.)

Mr. Robichaud: Under the new fisheries development act there is certainly room to look into this special problem. I want to assure the hon. member that we will be looking into every aspect of the matter.

Mr. Bower: The hon. member for Coast-Capilano this evening raised a point that I too find interesting. As I recall it, the minister did not comment on the point, which had to do with a subsidy for processors for the purchase of dogfish, or greyfish as they are called in Europe. I understand that the fisheries department does have an operation of this kind on the west coast, but in limited form and on a temporary basis. On the east coast the commercial fishing for dogfish could be of great significance but would only come to pass through the initiation of a system of subsidy payments to make it worth while to the fishermen to catch this species of fish. I would very much appreciate it if the minister would take up this question on behalf of the hon. member for Coast-Capilano and myself.

Mr. Noble: Mr. Chairman, the reply I got from the minister gave me the impression that either he did not understand me or I did not make myself clear. I mentioned the splake plantings by the International Great Lakes Fishery Commission and I wanted to know what success they have had. We are aware of the kokanee project, which is a provincial project. We are familiar with the success of that program, but I should like to know about the splake project.

Mr. Robichaud: I explained to the hon. member that I would write to him about this project and give him all the details I had. I do not have them with me at the moment.

Mr. Noble: The minister did mention kokanee, which is the reason I raise this point. I thought the minister might have understood that I wanted to know about the kokanee project.

Mr. Howard: Mr. Chairman, one other item I want to deal with is the oolachon fishery. The minister will recall at one time when Dr. Needler was here that I sent over some smoked oolachon for him to try, and I hope he enjoyed it. It is quite a staple part of the native Indian fishery and is not fished commercially, partly because the fishery regulations were altered a few years ago to permit commercial venture into the oolachon fishery. It is primarily a food fish for the native Indian people. They objected to this commercial fishing of oolachon and a regulation came into effect to prohibit commercial fishing of oolachon in district 2, or words to that effect.

The native people engage occasionally in a system of bartering as well as in direct sales of oolachon in the Prince Rupert area, especially to the large number of native Indian people who move into and live in Prince Rupert, which incidentally is a practice endorsed by the government in the hope that the native people will find employment in urban areas where it might not be available at home on reserve communities. Because of the practice of the native people, thinking in terms of a communal economy, of catching fish for neighbours and friends who may live in town, and because of the practice of selling oolachon at $1 a bucket, which is the usual price in the port of Prince Rupert, one young lad was charged under the fisheries regulation during the oolachon season this year with contravening the regulations by fishing for oolachon for commercial purposes.

This was considered to be something of a travesty against the common understanding that existed. What occurred undoubtedly was that when the original objection was put forward by the native people to a commercial fishery they were thinking in terms of canning and fishing companies fishing oolachon and either freezing or selling it fresh, not in terms of individual native Indian people fishing oolachon to bring it into Rupert either to give it away or sell it to their own native Indian people, who otherwise would not have the opportunity, because they live in an urban area, to go out and fish oolachon themselves. As I say, this concept was not in their minds when the original request was made to keep the canning companies from exploiting the oolachon fishery.

[Mr. Robichaud.]

I would urge the minister to look at this regulation and see whether or not he can revise it. The oolachon fishery is, perhaps, the last remaining part of the native Indian culture which we can preserve, and we should permit them to fish for their own purposes. If the minister would look at it from that point of view, this would overcome a great many difficulties.

The minister nods his head. My saying that he has done so will appear on *Hansard*, so I can keep the floor and ask another question. *Hansard* will show that the minister agrees that he will at least look into this matter.

Before I sit down, Mr. Chairman, there is an item which does not appear this year. Last year there was a $10,000 item by way of fee for membership in the international council for the exploration of the sea. This year no such item is listed. Perhaps this year there is no necessity to pay a fee to that council, or perhaps the council itself has ceased to function, but I should like an explanation of this.

Mr. Robichaud: I will try to get the information for the hon. member, but I cannot give him the detailed information at this time. It may be that this amount is included in some other item, but I am sorry, I do not have this information. I will try to get it for the hon. member.

Item agreed to.

Fisheries management and development—

5. Operation and maintenance, including Canada's share of the expenses of the international commissions detailed in the estimates and of the costs of programs and projects shared jointly with the provinces and industry, and authority to make recoverable advances of amounts not exceeding in the aggregate the amount of the share of the international great lakes fishery commission of the cost of work on lamprey control and lamprey research, $21,000,000.

Mr. Howard: Mr. Chairman, on page 165 of the blue book, under the industrial development service, including the provincial projects, there appears an item for $1,250,000 in relation to programs and projects shared by provinces. I would appreciate, if the minister has it available, a detailed listing of these joint programs so far as the province of British Columbia is concerned.

Mr. Robichaud: As the hon. member has mentioned, Mr. Chairman, this amount in the estimates is to cover shared programs with the provinces. I must say that most of the provinces that take advantage of this program are the Atlantic provinces, and to some extent the province of Quebec. We make the same offer to the province of British Columbia, but

I asked the minister whether he had received any information indicating that the International Nickel Company of Canada was restricting the supply of nickel for use in Canada and, if so, what action the government was taking to ensure that the needs of Canadian industry are being met.

It seems that the production of nickel has declined this year. It declined last year as well. At the same time the export of ores, nickel anodes and other products has increased. I hope I am not misreading the statistics. I certainly look forward to an answer from the minister which will indicate what is happening in connection with nickel production in Canada.

In 1965 we produced 44.6 million pounds. We exported in that year 43.1 million pounds. In 1966 we produced 40.5 million pounds and exported 41.7 million pounds—in other words, we exported 1.7 million pounds more than we produced in Canada.

If we look at the export figures for two years we find that though production dropped about 10 per cent in 1966, exports in the category of nickel anodes, cathodes and ingots were only diminished by 5 per cent, while the export of nickel and alloy frabricated materials was increased by 50 per cent. I believe an explanation is in order because it has come to my attention that manufacturers in Canada who use nickel in the production of their goods are findings this material in short supply. Their needs are not being taken care of adequately.

While all of us are desirous of seeing that our exports are maintained we are also interested in seeing that secondary manufacturing in Canada is not starved for lack of supplies and that every possible encouragement is given to those who engage in it. I welcome the presence of the minister tonight and look forward to his answers to these questions.

Hon. Robert Winters (Minister of Trade and Commerce): The world situation of nickel is one of short supply.

The situation with regard to demand and supply has been rather odd for some time, principally because of the large American stockpile, with demands being met by a draw down on stockpile. It is only since the stockpile has been substantially depleted and world demand has had to rely solely on world supply that the true situation respecting nickel has come to light.

The nickel producers in Canada have been aware of this for some time. They have been searching diligently for new nickel deposits around the world and have been endeavouring to bring them into production. Some of the most recently discovered deposits have been of relatively low grade in relation to those at Sudbury and Thompson. This is one of the reasons why we were agreeable to a higher price for nickel when the International Nickel Company made its appeal to us some time ago, so that it could arrange and could plan on bringing in these new lower grade sources of supply at an economic return.

In the light of the current shortage of demand the companies producing nickel in Canada have been working with us in the government, and although we have taken no steps to provide means of allocating within the government's hands, the companies themselves have, on a volunteer basis, been contributing very fully indeed. We have undertaken with them to point out to them instances which come to our attention in which domestic users of nickel are to get sufficient supplies of nickel, and to get this through co-operative effort.

We have been able to assure nickel consumers of at least as much nickel as they had last year, which was a high point in the consumption of nickel in Canada. I think that any consumer of nickel has been assured of 100 per cent of the amount he used last year, and this is a higher level than the companies have been able to guarantee to users of nickel abroad. When you have to weigh domestic requirements against the need to export nickel you have a very fine balance, as the hon. member said, but we have been trying to ensure through co-operative effort that domestic supplies are met.

In any cases of hardship to Canadian consumers that come to our attention because of a temporary shortage of nickel, arrangements for relief are made with the producers. They have been very good about this, and consideration is given when necessary to making appropriate provision for defence and other essential requirements. I think that provides the answer which the hon. member is seeking at the moment. At least I hope so.

NATIONAL DEFENCE—HALIFAX—NEGOTIATIONS WITH MOTOR TRANSPORT UNION

Mr. Robert McCleave (Halifax): Mr. Speaker, I suppose on this rather awesome day in human affairs it is comforting that the Associate Minister of National Defence and myself are dealing with matters that are far from military in nature. They concern a dispute and a labour problem in the Halifax

area, where last Saturday some men carried placards in front of the various defence units, to back up their demands for wages and settlement of other outstanding issues.

These men belong to local 273. They comprise labourers, yardcraft employees, and motor transport workers. I think it can be said that their union leadership is a respectable and conservative one, but they felt they have not been able to make the progress they wanted, and so they took this method, this form of demonstration over the week end, and very quickly may I say for the record it in no way cut into the work they perform for the Department of National Defence.

With respect to the wage issue, they work alongside people who have been classified in the ship repair group and who have received wage increases. The labouring group and most of the motor transport group have not received increases since October, 1965. I suppose this gives rise to the inevitable in any place where a large number of men are working and some have enjoyed the benefit of a wage increase while others have not.

There is also a complaint that certain provisions of the Canada Labour (Standards) Code were not implemented for the yardcraft and auxiliary vessel workers.

Further, because integration is in progress, there have been five or six cases involving discipline, although I believe that in the previous 20 years there were no disciplinary cases at all. I suppose the discipline cases arise because the civilian and military personnel are being fitted together and have not yet learned to adjust to each other or co-exist.

• (10:10 p.m.)

I imagine that this is not a continuing thing. Eventually, when all the kinks are ironed out, there should be no problem in that regard. I think I have spoken too long, because when I asked the question of the Associate Minister of National Defence today I really wished to give him an opportunity to make a statement on the various points which are still at issue, so that I can send the issue of *Hansard* to the men who are concerned. Under our procedure sometimes it is difficult for a cabinet minister to get his points across on any occasion when he might wish to do so. It would be helpful if cabinet ministers were allowed to do this. I could pursue that point, but I shall do so at another time because I should like to hear the answer from the associate minister.

Hon. Léo Cadieux (Associate Minister of National Defence): I am always pleased to note the interesting questions raised by my hon. friend from Halifax (Mr. McCleave).

With regard to this particular question, I have been informed that last Friday officers at Canadian forces base, Halifax, including the senior civilian personnel officer of maritime command, met with officials of Local 273 to discuss a seven point protest which had previously been submitted by the union.

Talks between the union and command will continue and I am informed that a senior staff officer at maritime command expects to meet with the union either tomorrow or Wednesday. The director general of civilian personnel at national defence headquarters is following the matter closely and will inform me of the progress that is being made.

I am very pleased, as is the hon. member, to note that no work stoppage occurred as the result of the protest demonstration, and I would like to thank the union members and officials for averting a work stoppage during a particularly busy period.

I do not wish to go into further particulars, but I have been given to understand that some concession will be made in respect to at least four of the seven points raised by the union, and discussion will continue on the remaining points. This particular question which was raised by the hon. member about the rates of pay is one in respect of which we always give the stock answer, for the time being anyway, that collective bargaining has been introduced and therefore it is a question which really is out of our hands at this time. I hope that for the time being the hon. member will be satisfied with the answer, that we are doing our utmost to come to grips with these problems and that we will meet the union as far as we can. I repeat that we are pretty sure that of the seven points at least four can be settled, and that discussion can be continued in respect of the other three.

Motion agreed to and the house adjourned at 10.15 p.m.

[The following items were passed in Committee of Supply this day:]

DEPARTMENT OF FISHERIES

1, 5, 10, 15, 20, 25.

END OF VOLUME 1